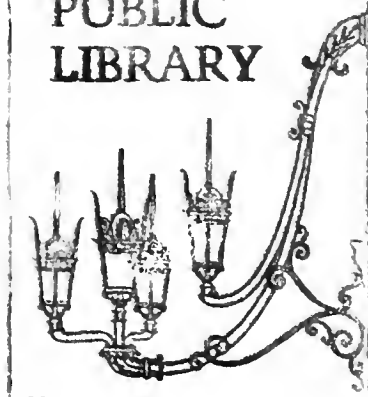


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<http://www.archive.org/details/bradfordhotelurb00bost>



GOVDOC

BRA

4083

THE BRADFORD HOTEL

URBAN DEVELOPMENT ACTION GRANT APPLICATION  
TO THE U.S. DEPARTMENT OF HOUSING AND  
URBAN DEVELOPMENT

SUBMITTED BY

CITY OF BOSTON

RAYMOND L. FLYNN, MAYOR

BOSTON REDEVELOPMENT AUTHORITY

STEPHEN COYLE

ROBERT J. FARRELL, CHAIRMAN  
JOSEPH J. WALSH, VICE CHAIRMAN  
JAMES K. FLAHERTY, TREASURER  
WILLIAM A. McDERMOTT, MEMBER  
CLARENCE J. JONES, MEMBER  
KANE SIMONIAN, SECRETARY

NOVEMBER 30, 1984







CITY OF BOSTON • MASSACHUSETTS

OFFICE OF THE MAYOR  
RAYMOND L. FLYNN

To The City Council

Dear Councillors:

I transmit herewith and I urge you to adopt an Order authorizing the City to apply for \$1,800,000 in Urban Development Action Grant funds to the U.S. Department of Housing and Urban Development to assist in financing the rehabilitation of the Bradford Hotel on Tremont Street. The restoration of this property will greatly assist the City in its goal to revitalize Boston's Theatre District.

The project consists of the renovation of 263 rooms and the creation of 30 new hotel rooms in the former rooftop ballroom. The hotel will also house a restaurant, function rooms and limited commercial space. It will provide up to 260 new jobs, 50% of which will be targeted to Boston residents, minorities and women in accordance with the City's Resident Preference Employment Plan to which the developer has agreed. In addition, the City's annual tax revenue will increase by approximately \$300,000.

The developer of the project is the Theatre Hotel Associates Realty Trust with Mr. Robert S. Merrowitz and the Coolidge Bank and Trust Company, trustees. The hotel will be managed by Koala Inns of America.

The Bradford Hotel, with its proximity to the New England Medical Center, will service a market need for hotel space that is currently unmet in Boston. With over 14,000 annual patient visits, and with 11% of pediatric and 13% of adult patients coming from outside Massachusetts, the NEMC has an intense need for readily available hotel rooms.

Without the proposed UDAG funding, the Bradford Hotel Project will not proceed. I urge your favorable and speedy approval of the attached Order.

Respectfully,

Raymond L. Flynn  
Mayor

Attachments





# Boston Redevelopment Authority

Stephen F. Coyle/Director

November 14, 1984

Mayor Raymond L. Flynn  
City of Boston  
One City Hall Square  
Boston, MA 02201

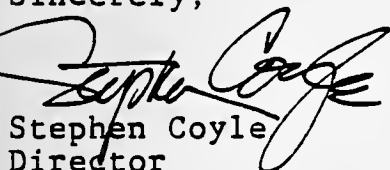
Mayor Flynn:

I am pleased to submit a proposed City Council Order permitting the City to apply for \$1,800,000 in Urban Development Action Grant funds to assist in the rehabilitation of the former Bradford Hotel, in the Theater District, into a modern and efficient tourist level hotel facility. This exciting project will restore the property to prominence among downtown hotels with its rate structure targeted towards the middle market visitor. The project will create 260 new employment opportunities and retain the existing 50 jobs for a total of 310 employment positions.

Theater Hotel Associates Realty Trust, owner of the property, is seeking a \$1,800,000 loan which will be repaid to the City. These repayment funds can be utilized by the City to support projects that benefit its low and moderate income residents in neighborhoods throughout the City. In addition, the project will increase Boston's annual tax revenues by at least \$350,000. The developer has agreed to conditions that employment preference will be given to Boston residents for all construction and permanent jobs.

The Bradford Hotel project will significantly strengthen the continued revitalization of the Theater District and assist in reaching the goal of providing employment and occupational mobility to Boston's residents. Without UDAG funds, this project will not materialize. I therefore urge you to support this application and respectfully request that you submit this Order to the City Council.

Sincerely,



Stephen Coyle  
Director



**CITY OF BOSTON**  
**IN CITY COUNCIL**

AN ORDER APPROVING APPLICATION BY THE CITY TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR AN URBAN DEVELOPMENT ACTION GRANT FOR THE BRADFORD HOTEL, 275 TREMONT STREET, BOSTON

WHEREAS, The Housing and Urban Development Act of 1977 contains provisions for funding of urban development programs under the Urban Development Action Grant Program; and

WHEREAS, The proposed Bradford Hotel Project will create 260 new jobs and will employ approximately 310 persons.

WHEREAS, The Boston Redevelopment Authority will administer the proposed Urban Development Action Grant; and

WHEREAS, The Theatre Hotel Associates Realty Trust, developer of the Bradford Hotel, has signed the Employment Initiative Agreement to give preference to Boston residents with special consideration to low and moderate income residents, minorities and women for employment; and

WHEREAS, The development of the Bradford Hotel in Boston's Theatre District requires public funding in the amount of not more than \$1,800,000 to carry forth this project; and

WHEREAS, The Mayor has submitted to Council an application for this project, therefore be it.

ORDERED: That the Mayor, acting on behalf of the City of Boston be and hereby is authorized to apply for financial assistance for the U.S. Department of Housing and Urban Development under the Housing and Community Development Act of 1977 (P.L. 95-128), for an Urban Development Action Grant in the amount of not more than One Million, Eight Hundred Thousand Dollars (\$1,800,000) and in connection therewith to execute and deliver such documents as may be required by the Federal Government and to act as representative of the City of Boston in connection with said application, and pursuant to G.L. c 44, 53A, to expend such funds in conformity with said application.

I HEREBY CERTIFY THAT  
THE FOREGOING, IF PASSED  
IN THE ABOVE FORM,  
WILL BE IN ACCORDANCE  
WITH LAW

*Albert W. Walker*  
Corporation Counsel *mpa*  
11/14/77



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URBAN DEVELOPMENT ACTION GRANT

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PART I.           Form 424

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Section B:   Project Description  
Section C:   Statement of the UDAG Justification  
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Section D:   Market Feasibility  
Section E:   Evidence of Developer & Private  
              Investor Commitments  
Section F:   Evidence of Meeting Program Objectives

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PART I

Form 424





## PART I

OMB APPROVAL NO. 30-1071

FEDERAL ASSISTANCE		2. APPLICANT'S APPLICATION	3. STATE APPLICATION IDENTIFIER	4. NUMBER
1. TYPE OF ACTION (Mark appropriate box) <input type="checkbox"/> PREAPPLICATION <input checked="" type="checkbox"/> APPLICATION <input type="checkbox"/> NOTIFICATION OF INTENT (DPL) <input type="checkbox"/> REPORT OF FEDERAL ACTION	5. DATE Year month day 19 84 11 30	6. DATE ASSIGNED Year month day 19		
4. LEGAL APPLICANT/RECIPIENT a. Applicant Name: City of Boston b. Organization Unit: c. Street/P.O. Box: 1 City Hall Square d. City: Boston e. County: Suffolk f. State: Massachusetts g. ZIP Code: 02201 h. Contact Person (Name & telephone No.): Stephen Coyle (617) 722-4300		3. FEDERAL EMPLOYER IDENTIFICATION NO. E-046-001-380		
7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT  The Bradford Hotel 275 Tremont Street Boston, MA  (See Summary, Part III, Section B)		6. PRO-GRAM (From Federal Catalog) a. NUMBER: b. TITLE: Urban Development Action Grant		
10. AREA OF PROJECT IMPACT (Names of cities, counties, States, etc.) Boston, MA		11. ESTIMATED NUMBER OF PERSONS BENEFITING		
13. PROPOSED FUNDING a. FEDERAL \$ 1,800,000.00 b. APPLICANT 10,626,000.00 c. STATE .00 d. LOCAL 12,426,000.00 e. OTHER .00 f. TOTAL \$ .00		14. CONGRESSIONAL DISTRICTS OF: a. APPLICANT b. PROJECT 8 16. PROJECT START DATE Year month day 19 84 3 1 17. PROJECT DURATION Months 18 18. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY Year month day 19 84 11 30		
12. TYPE OF ASSISTANCE a. Basic Grant b. Insurance c. Supplemental Grant d. Other Enter appropriate letter(s)		12. TYPE OF APPLICATION a. New b. Renewal c. Extension d. Continuation e. Other Enter appropriate letter(s)		
15. TYPE OF CHANGE (For 12 c or 12 e) A - Increase Dollars B - Decrease Dollars C - Increase Duration D - Decrease Duration E - Continuation Enter appropriate letter(s)		19. EXISTING FEDERAL IDENTIFICATION NUMBER		
20. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code) U.S. Department of Housing & Urban Development		21. REMARKS ADDED <input type="checkbox"/> Yes <input type="checkbox"/> No		
22. THE APPLICANT CERTIFIES THAT: a. To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assurance is approved. b. If required by OMB Circular A-95 this application was submitted, pursuant to instructions therein, to appropriate clearinghouses and all responses are attached. (1) (2) (3)		No response <input type="checkbox"/> Response attached <input type="checkbox"/>		
23. CERTIFYING REPRESENTATIVE a. TYPED NAME AND TITLE Raymond L. Flynn, Mayor		b. SIGNATURE c. DATE SIGNED Year month day 19		
24. AGENCY NAME		25. APPLICATION RECEIVED 19		
26. ORGANIZATIONAL UNIT		27. ADMINISTRATIVE OFFICE		
29. ADDRESS		28. FEDERAL APPLICATION IDENTIFICATION		
31. ACTION TAKEN <input type="checkbox"/> a. AWARDED <input type="checkbox"/> b. REJECTED <input type="checkbox"/> c. RETURNED FOR AMENDMENT <input type="checkbox"/> d. DEFERRED <input type="checkbox"/> e. WITHDRAWN		30. FEDERAL GRANT IDENTIFICATION		
32. FUNDING a. FEDERAL \$ .00 b. APPLICANT .00 c. STATE .00 d. LOCAL .00 e. OTHER .00 f. TOTAL \$ .00		33. ACTION DATE Year month day 19		
34. STARTING DATE Year month day 19		35. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number)		
36. ENDING DATE Year month day 19		37. REMARKS ADDED <input type="checkbox"/> Yes <input type="checkbox"/> No		
38. FEDERAL AGENCY A-95 ACTION		b. FEDERAL AGENCY A-95 OFFICIAL (Name and telephone no.)		



## PART II

### Description of the Proposed Project



PART II  
Description of Proposed Project

With exhibits as appropriate, respond to each of the following:

Section A - Statement of Problems and Objectives

1. In no more than three paragraphs, describe the relation between the proposed project and the residential or economic development needs of the community. Also discuss how the project will provide jobs for CETA eligible and minority persons, and, if applicable, what role minority businesses or contractors will play in the project. Also, discuss the impact of the proposed project on the residents of any residential neighborhood, particularly low- and moderate-income persons, and members of minority groups. Description of projects with residential components should also address the question of the project's consistency with the city's Housing Assistance Plan (HAP) needs and goals, if the city has a HAP.

2. For pocket of poverty applicants only; If the proposed project is part of a pocket of poverty application, demonstrate the relation between the project and plans for the physical and economic development of the pocket that provide direct benefits to the pocket's low-and moderate-income residents.

Section B - Project Description

1. Brief Project Description: Describe the nature, size and scope of project, plus participating parties in one page or less.

2. Preliminary Information

(Check column for the correct answer below and explain as appropriate)

	Yes	No
(a) Have citizen participation hearings been held?	_____	<u>X</u>

If the answer is no, explain.

(b) Is the environmental level of clearance finding complete?	_____	<u>X</u>
---	-------	----------

Date of Clearance Finding 12/15/84

(c) Does the project require an Environmental Impact Statement?	_____	<u>X</u>
---	-------	----------

If the answer is yes, provide a schedule for completion.



Yes      No

(d) Is an environmental review complete?

\_\_\_\_\_   X  

Date 12/15/84

If the answer is no, provide a schedule for completion.

(e) Is the project in a designated flood hazard area?

\_\_\_\_\_   X  

If the answer is yes, explain the impacts.

(f) Will historic properties be affected?

\_\_\_\_\_   X  

If the answer is yes, explain the impact.

(g) Will the proposed project result in the relocation of industrial or commercial facilities from one jurisdiction to another?

\_\_\_\_\_   X  

If the answer is yes, provide a detailed explanation.

(h) Does the applicant have any unresolved issues arising from civil rights compliance reviews or previous CDBG conditions relating to fair housing issues, citizen participation allegations, lawsuits, or other allegations against the proposed or any other federally assisted project (or funding) administered by the applicant?

\_\_\_\_\_   X  

If answer is yes, explain.





Yes No

- (i) Will the project for which the assistance is requested directly cause the displacement of individuals, families, businesses or farms?

X

If the answer is yes, complete and attach Form 1, Relocation Effects.



## SECTION A

### STATEMENT OF PROBLEMS & OBJECTIVES

The neighborhood in which the Bradford Hotel lies is surrounded by and includes portions of Boston's retail, office, financial, and residential districts. It contains at its center the Lower Washington Street District where the City's major theatre structures are located. In addition, Beach Street, which is the heart of the New England Chinese Community, is within the neighborhood.

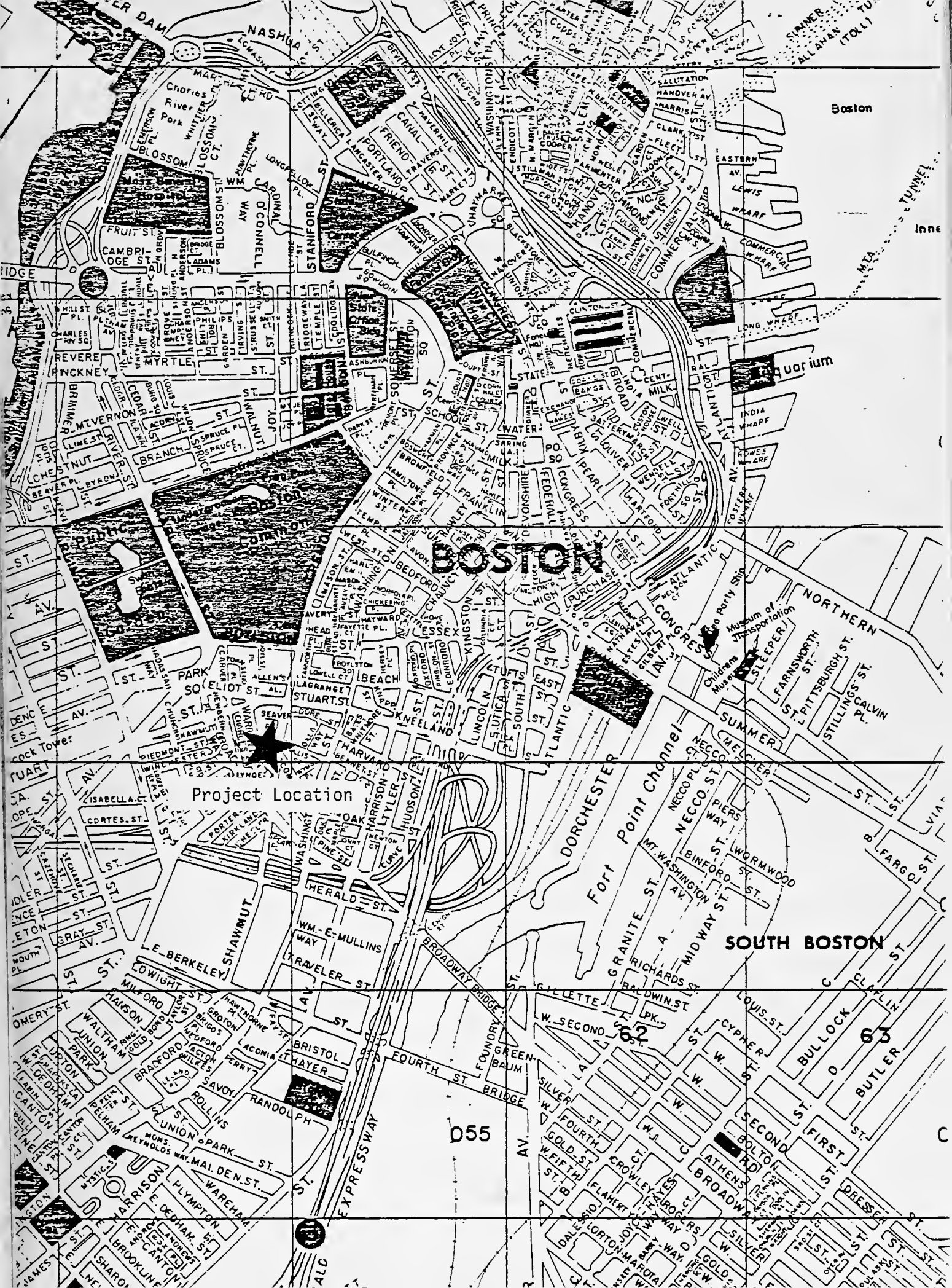
The departure of major retail operations along Washington Street, the shrinking of Boston's garment industry and the concentration of adult entertainment activities in what is commonly known as the "Combat Zone" are the events which have led to the deterioration and the underutilization of buildings in the Theatre District/Chinatown area during the post World War II period. Investors, theatre patrons and shoppers have deliberately avoided the Lower Washington Street area because of the existence of the Adult Entertainment District and the general image of blight.

Lafayette Place to the north, Park Plaza to the west, and the Tufts New England Medical Center development to the south represent major projects which have been initiated in the neighborhood. The proposed renovation of the Bradford Hotel will contribute to the City's ongoing effort toward revitalization of the Theatre District. The Combat Zone presents an opportunity to accommodate the need for space as well as to stimulate development in general within the city. Development incentives within the subject area will enable future and existing legitimate businesses to fill entire buildings, locating housing on the upper floors, so that income is greater than that which is presently obtained from ground floor adult entertainment.

Overall, the type of development activity envisaged for the area is a combination of theatres and theatre/tourist related businesses, the expansion of housing opportunities and commercial retail operations, particularly in the Washington Street area, and inducement of an expansion of business interests to occupy buildings within the Adult Entertainment District.

UDAG assistance is necessary to complement the financing program of the Bradford Hotel due to the need for a low interest second mortgage allowing for economic feasibility. The hotel is located within a blighted sector where first class accommodations cannot command the market room rates found elsewhere in the city.





Boston

BOSTON

SOUTH BOSTON

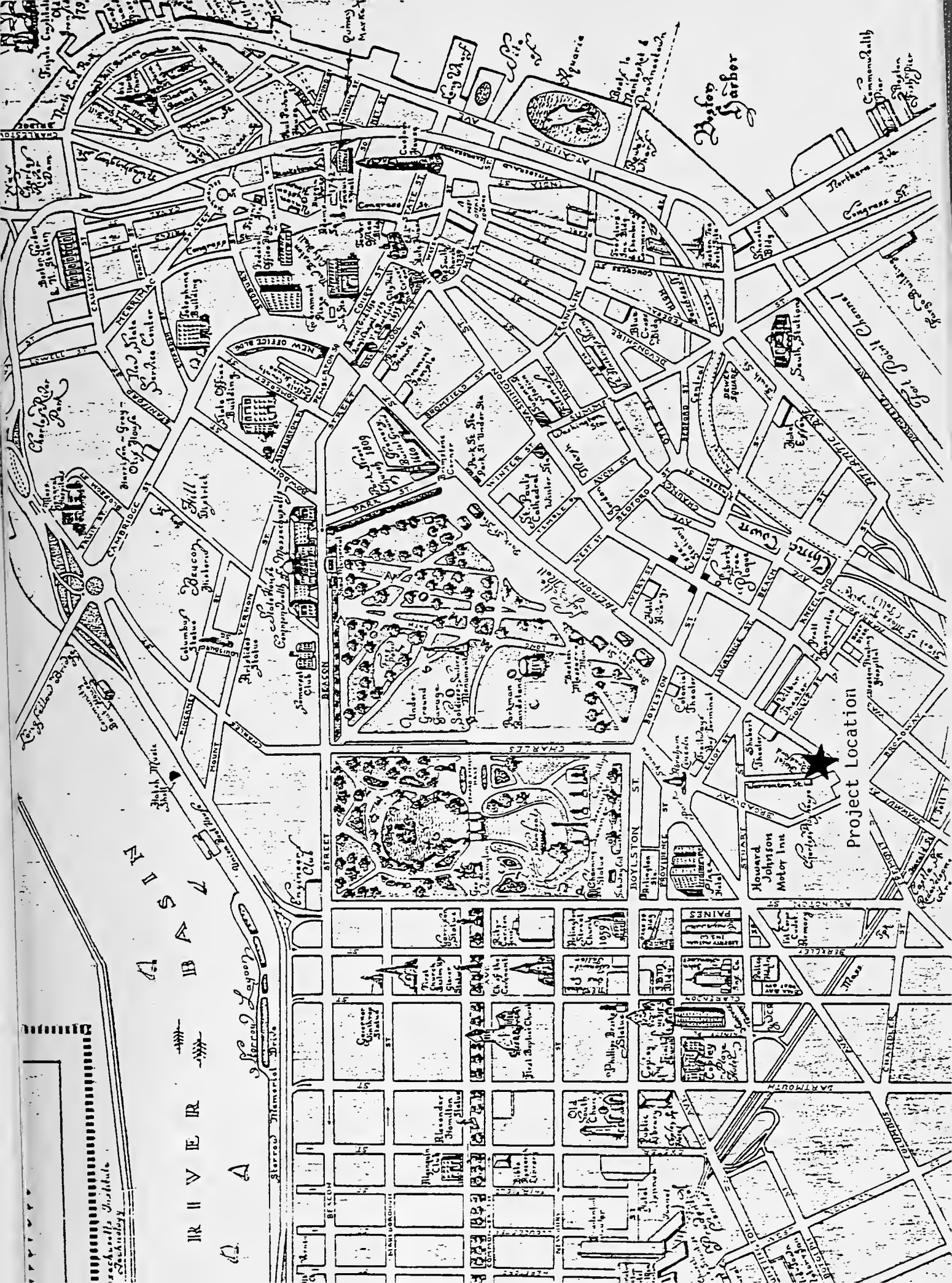
Project Location

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62

63





AL S A  
IB A

IR II V E R

A

Storrow Memorial Drive

Project Location

Duxbury Harbor

Thompson St

Congress St

South Station

Beacon St

St. Paul St

Howard Johnson Motor Inn

St. James St

St. James St

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## SECTION B

### PROJECT DESCRIPTION

#### ITEM 1. BRIEF PROJECT DESCRIPTION

The project involves the rehabilitation of the deteriorated Bradford Hotel, located in Boston's theater district at 275 Tremont Street, Boston. This undertaking is being proposed by the Theatre Hotel Associates Realty Trust. The trustees are Mr. Robert S. Merowitz of Universal Realty, 313 Washington Street, Newton, and the Coolidge Bank and Trust Company of 65 Main Street, Watertown. It is the intent of the project to modernize and completely renovate the existing 13 story, 322 room hotel with an emphasis on restoring the classic design of the structure and returning the building to its original grandeur. Koala Inns of America Corporation will act as consultant for the rehabilitation program.

The trustees acquired the Bradford Hotel in April of 1984, at which time Koanala Management Company assumed the general management of the hotel. Koanala will continue to manage the hotel after project completion. The proposed rehabilitation program will convert the existing 322 rooms to 263 larger first class hotel units. In addition the 13th floor which has been utilized in the past as a ballroom/function area will be converted to 30 new rooms. The renovation program will be conducted as follows:

Guest Room renovations and conversion of existing 322 rooms to 263 rooms.

Floors 1-5, renovations and structural shell.

Corridor renovations, floors 6-12.

13th floor, construction of 30 new rooms and suites.

Mechanical systems, including HVAC, electrical, plumbing, fire safety, elevators, etc.

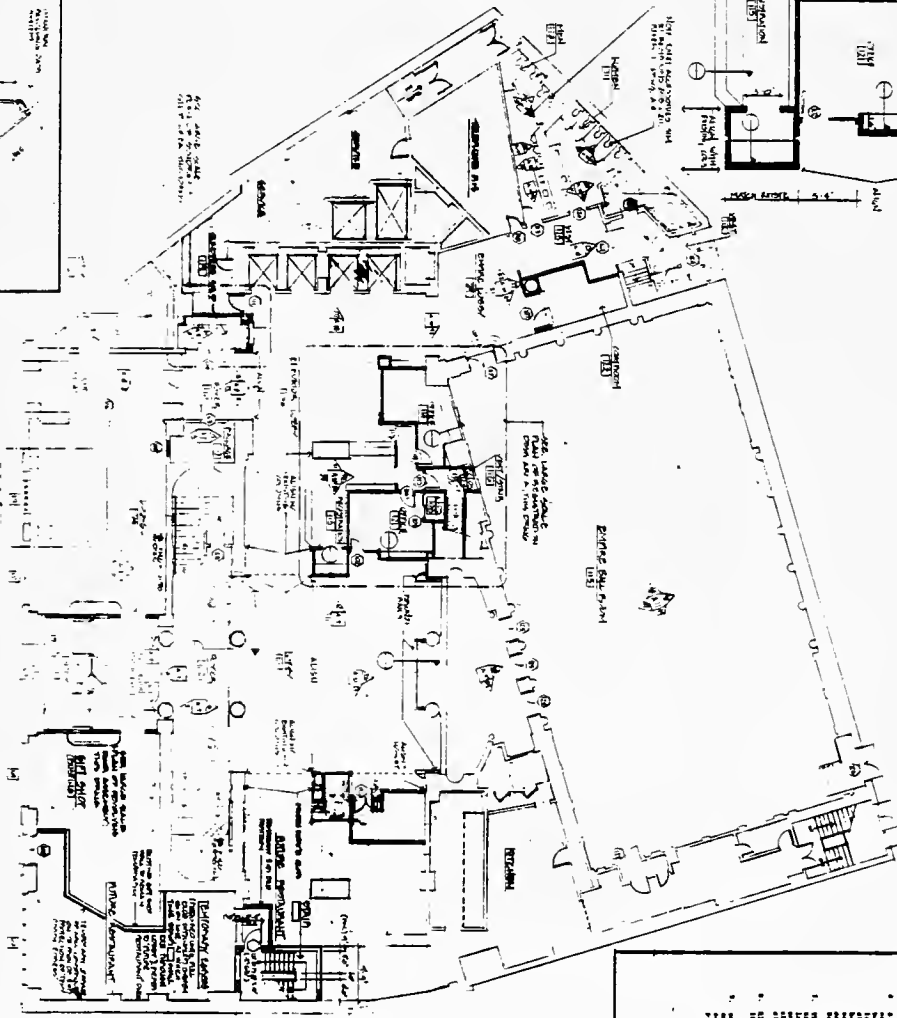
The increased demand for parking will be satisfied through valet accommodations Koanala has arranged with the parking facility located at Marginal & Washington Streets.

Total project cost is presently estimated at \$12,426,000. UDAG funds are being requested in the amount of \$1,800,000 in the form of a low interest second mortgage, to soften the overall financial burden the trust will face due to economic constraints imposed upon first class hotel accommodations in the deteriorated theater district.



Presently there are approximately 50 persons employed by the hotel.. It is estimated that an additional 260 jobs will be created at the hotel upon project completion.



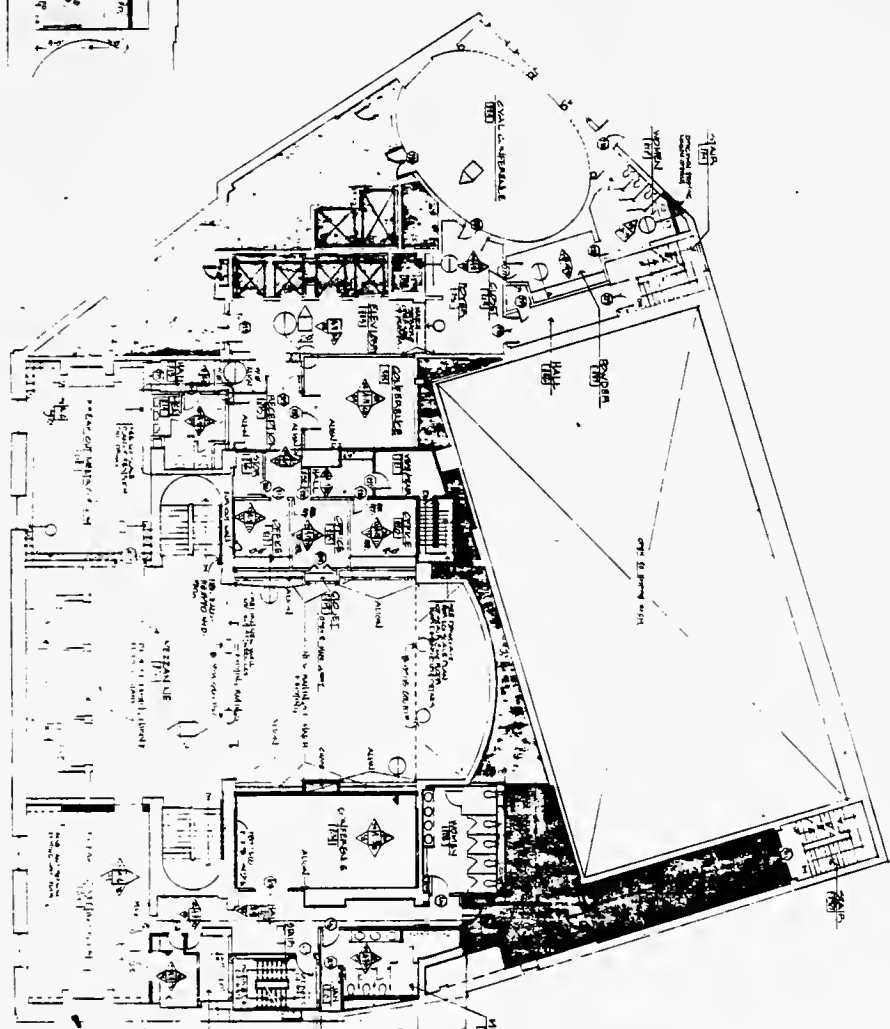
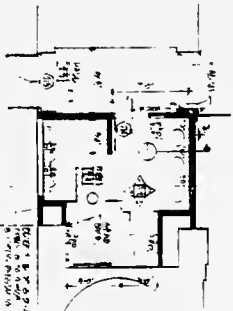


## GENERAL NOTES

- [illegible]

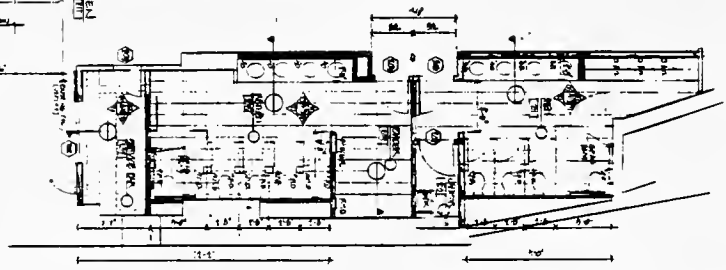


PLAN-MENS RESTROOM(1)



2nd FLOOR PLAN

PARTIAL PLAN-RESTROOMS



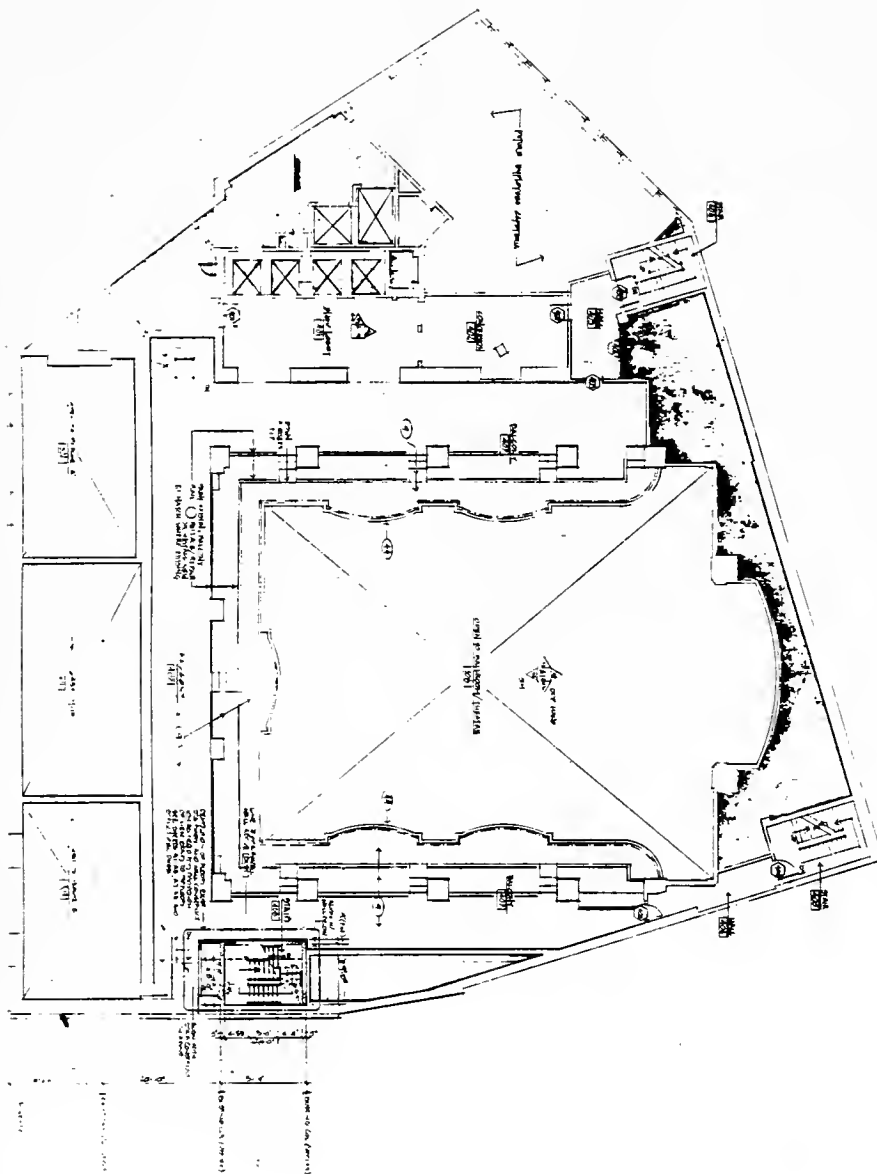
NOTES:  
1. ALL ROOMS TO BE FINISHED WITH 1/2" PLASTER.  
2. ALL WALLS TO BE FINISHED WITH 1/2" PLASTER.  
3. ALL FLOORS TO BE FINISHED WITH 1/2" PLASTER.  
4. ALL CEILINGS TO BE FINISHED WITH 1/2" PLASTER.  
5. ALL DOORS TO BE FINISHED WITH 1/2" PLASTER.  
6. ALL WINDOWS TO BE FINISHED WITH 1/2" PLASTER.  
7. ALL LIGHTS TO BE FINISHED WITH 1/2" PLASTER.  
8. ALL VENTS TO BE FINISHED WITH 1/2" PLASTER.  
9. ALL STAIRS TO BE FINISHED WITH 1/2" PLASTER.  
10. ALL ELEVATORS TO BE FINISHED WITH 1/2" PLASTER.











**4TH FLOOR PLAN**

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 CHECKED BY: [illegible]  
 DATE: 11/11/03

**A-6**



NO.	DATE	DESCRIPTION

Drawn by: \_\_\_\_\_ Check by: \_\_\_\_\_ Date: \_\_\_\_\_

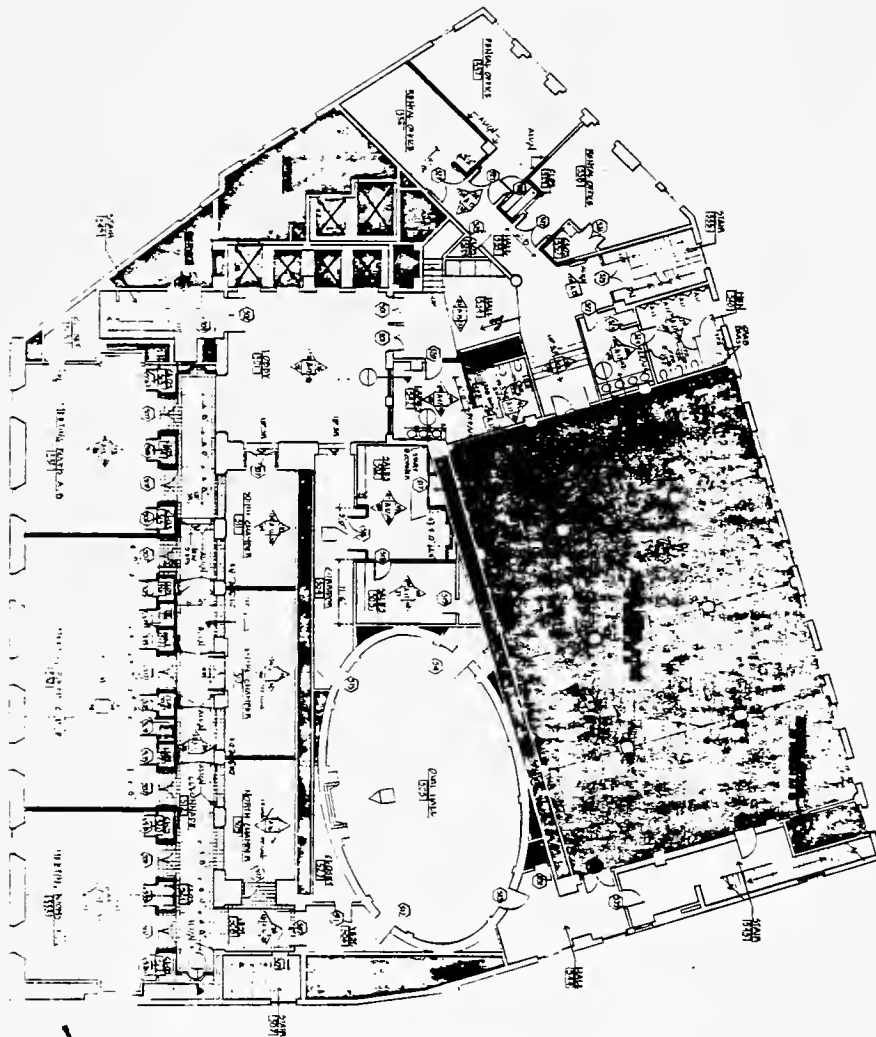


TITLE: 4TH FLOOR PLAN  
 (COMPLETION 11/11/03)

**Dileonardo International Inc.**  
 2346 Post Road  
 Warwick, Rhode Island (401) 782-2900

*Dileonardo*





5TH FLOOR PLAN

4-10-11 5TH FLOOR PLAN - 1/2\"/>

A-8



Revised	By	Date

Drawn by:	Check by:	Date:

--

Dileonardo International Inc.	
2346 Post Road	
Warwick, Rhode Island	
(401) 733-2900	

*Dileonardo*





**TYPICAL FLOOR PLAN - FLOORS 6 THRU 12**

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 COMPLETED UNDER JOINTS  
 FOOD PROGRAM





## UDAG FORM 1

RELOCATION EFFECTS

Instructions: Complete the table below with the numbers of families, individuals, farms, and businesses which will be relocated as a result of the proposed project.

NOTE: The following definitions apply to this table:

- (1) Low and Moderate Income: Families or unrelated individuals whose income does not exceed the applicable income limit for eligibility for assistance under the Section 8 housing program. Where size of family is not known, use Section 8 limit for a family of four persons.
- (2) Other Income Categories: Families or unrelated individuals whose income exceeds the applicable income limit for eligibility for assistance under the Section 8 program.

	Low and Moderate Income		Other Income Categories		Total	
	Minority	Non-Minority	Minority	Non-Minority	Minority	Non-Minority
1. Families Displaced	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
2. Unrelated Individuals Displaced	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
3. Farms Lost	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
4. Businessess Displaced	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
5. Jobs Lost From Busi- nesses in Line 4	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

This form constitutes the response to Part III. Section B2(i).



3. Project Description by Transaction: Describe each transaction in detail, including the following information. If the proposed transaction involves infrastructure improvements or demolition, or if housing is to be provided, complete either Form 2a or 2b and insert:

a. Description of the Proposed Site

- (1) Location of the site (include map); physical characteristics of site at present (existing buildings, utilities, special features, and current condition); The site is located at 275 Tremont Street in Boston's theatre district. The site includes the existing 13-story 225,000-square foot Bradford Hotel, which can be considered to be in a state of physical deterioration.
- (2) Acreage; or number of municipal lots or land parcels which will be assembled for project;

See deed which follows this page.

- (3) Aggregate cost of acreage; attach, as appendix, information verifying cost; The purchase price of the land and building was \$6,575,000--this transaction occurred on April 26, 1984; therefore, the aggregate cost of land will not be utilized as leverage within this UDAG proposal.
- (4) Cost per square foot or acre of property; comparable land costs in local vicinity of transaction;

N/A

- (5) Proof of present ownership and public or private developer's control of site, such as through deed, title insurance policy, plat map, purchase contracts, options, leases, condemnation resolutions and authorizations.

The trustees of Theatre Hotel Associates Realty Trust, Mr. Robert S. Merowitz and Arthur M. Harrison, are named as owners of the Bradford Hotel on the deed which follows this page.

- (6) Zoning of site: Is it appropriate for intended uses? Is re-zoning required? What is the status?

The site is zoned appropriately for the intended use which is consistent with the past usage of the property.

- (7) If the transaction involves the rehabilitation of historic structures, briefly describe how structures will be restored or adapted to new uses. Where available and relevant, provide documentation from local Landmark Commissions, the State Historic Preservation Officer (SHPO), the Keeper of the National Register of the Department of the Interior (for determination of historic eligibility), or the Advisory Council on Historic Preservation.

The Bradford Hotel is not listed on the National Register of Historic Properties; therefore, the project will not involve the rehabilitation of historic structures.



# DEED

Plymouth Management Company, a corporation duly established under the laws of the Commonwealth of Massachusetts and having its usual place of business at 275 Tremont Street, Boston, Suffolk County, Massachusetts, for consideration paid, and in consideration of Six Million Five Hundred Seventy-Five Thousand (\$6,575,000.00) Dollars, grants to Robert S. Merowitz of Dedbury, Middlesex County, Massachusetts, and Arthur M. Mason, of Weston, Middlesex County, Massachusetts, Trustees of the Theatre Hotel Associates Realty Trust under Declaration of Trust of even date herewith and filed herewith, WITH CLAIM COVENANTS, the registered land in the City of Boston, Suffolk County, Massachusetts, part of which is shown as Lot C and Court Plan No. 9626C, and part of which is shown on Court Plan No. 16396A, bounded and described as follows:

EASTERLY	by the westerly line of Tremont Street as established by an order of the Board of Street Commissioners of the City of Boston on March 26, 1925, one hundred seventeen and 63/100 (117.63) feet;
SOUTHERLY	one and 67/100 (1.67) feet;
SOUTHEASTERLY	forty-three and 63/100 (43.63) feet;
EASTERLY	two and 75/100 (2.75) feet, and
SOUTHEASTERLY	fifty-four and 85/100 (54.85) feet, all by land now or formerly of Charles E. Cotting et al, Trustees, by the face of a brick wall as shown on the plan hereinafter mentioned;
SOUTHWESTERLY	by Warrenton Street, fifty-two and 74/100 (52.74) feet;
WESTERLY	by said Warrenton Street, one hundred seventeen and 62/100 (117.62) feet;
NORTHERLY	seventy-eight and 05/100 (78.05) feet, by the face of a brick wall;
WESTERLY	eighty-hundredths (0.80) of a foot, by the end of a brick wall, and
NORTHERLY	seventy-nine and 01/100 (79.01) feet, the line running in part through the middle of a



twenty-inch brick wall, all by land now or formerly of John L. Hall, Trustee.

and is shown as Lot C on a subdivision Plan No. drawn by C. B. Humphrey, Engineer for the Land Court, 1, 1932, as approved by the Court, filed with the office of Title No. 30599.

Above described land is subject to and has the benefit of a party wall agreement by and between J. H. Dearborn and Matthews, Trustee, dated July 1, 1885, recorded with the Registry of Deeds Book 1843, Page 175, and is subject to and has the benefit of such easements, if any, as were in force at the time of the original decrees by reason of the existence of the walls shown on said plan.

Said land is also subject to any easements granted to the City of Boston by deed dated August 5, 1925, filed and recorded as Document No. 61185.

Another certain parcel of land situate in said Boston and described as follows:

Westerly by Warrenton Street 83/100 (0.83) of a foot,

Westerly by seventy-eight and 09/100 (78.09) feet, the line running through the middle of a twenty (20) inch brick wall,

Westerly 47/100 (0.47) of a foot,

Westerly eighteen and 07/100 (18.07) feet, the line running through the middle of a twelve (12) inch brick wall, and

Westerly 50/100 (0.50) of a foot on land now or formerly of 267 Tremont Street, Incorporated; and

Westerly seventeen and 95/100 (17.95) feet,

Westerly 80/100 (0.80) of a foot, and

Westerly seventy-eight and 05/100 (78.05) feet by land now or formerly of Bradford Hotel, Inc.

All of said boundaries are determined by the Court to be as shown on a plan drawn by Burtis Brown, Civil





3 14  
4 5  
5 16  
6 17  
7  
8  
9  
10  
11  
12

...deed, dated May 1, 1936, as modified and approved by the  
... filed in the Land Registration Office as plan No.  
...-A, a copy of a portion of which is filed with Certificate  
... title No. 36536.

The above described parcels of land are subject to and have  
the benefit of a party wall agreement between Otis Weld  
Richardson, Executor et al and Bradford Hotel, Inc., dated  
November 21, 1936, duly recorded in Book 5641, Page 252, also  
and registered as Document No. 132805.

Said premises are hereby conveyed subject to and together  
with all rights, easements and restrictions set forth and  
referred to in Certificate of Title No. 75196, insofar as now  
in force and effect.

For grantor's title see Certificate of Title No. 75196  
issued with the Suffolk County Registry District of the Land  
... .

The address of the Grantee and the property hereby conveyed  
is 275 Tremont Street, Boston, Massachusetts.

IN WITNESS WHEREOF, the said Plymouth Management Company  
has caused its corporate seal to be hereto affixed and these  
instruments to be signed, acknowledged and delivered in its name  
and behalf by Louis R. Cohen, its President and Treasurer  
hereto duly authorized, as of this 26th day of April, 1984.

PLYMOUTH MANAGEMENT COMPANY

By *Louis R. Cohen*  
Louis R. Cohen, President  
and Treasurer

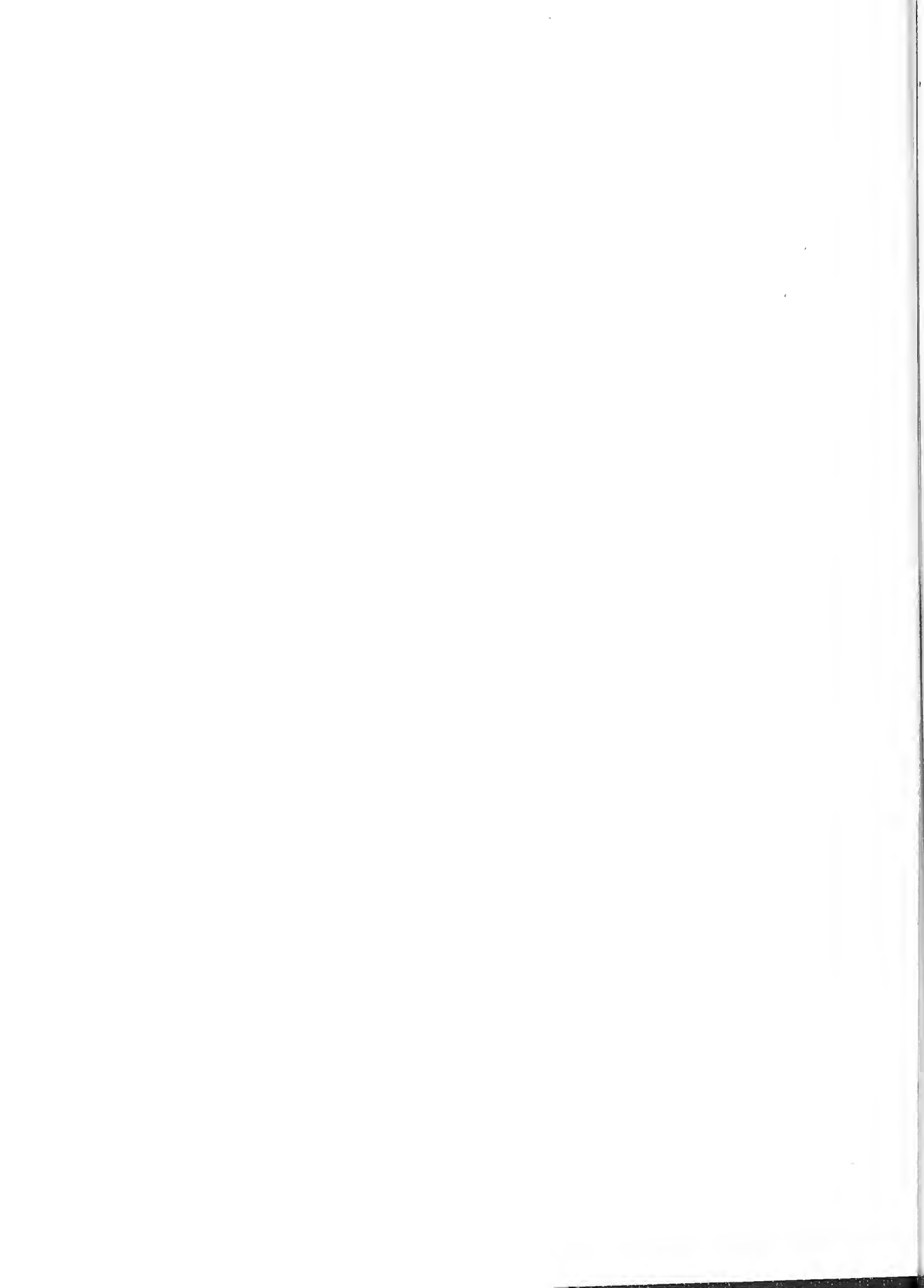
Commonwealth of Massachusetts )  
County of Suffolk )

ss. *April 26, 1984*

Then personally appeared the above-named Louis R. Cohen,  
President and Treasurer of Plymouth Management Company, and  
acknowledged the foregoing instrument to be the free act and  
deed of the Plymouth Management Company before me.

*Daniel A. Kagan*  
Notary Public

My commission expires: *12/7/90*



UDAG FORM (2b)

ALLEVIATION OF PHYSICAL DISTRESS

COMMERCIAL/INDUSTRIAL PROJECTS\*

	(A) New Construction	(B) Rehabilitation	(C) Historic Restoration
Number of Buildings	_____	1	_____
Total Square Footage	_____	225,000	_____

INFRASTRUCTURE FOR COMMERCIAL/INDUSTRIAL PROJECTS (WHERE APPLICABLE)

	Linear Feet of New Pipe	Linear Feet of Pipe Replaced	N/A Capacity Added
A. Water	_____	_____	_____
B. Sewer	_____	_____	_____
C. Sanitary	_____	_____	_____

\*This form constitutes the response to Part III. Section B3.



b. Development Summary: Complete the following:

- (1.) Developer(s): list and include minimal but relevant information on their background and development experience. Include name and telephone number of developer's contact person.

Theatre Hotel Associates Realty Trust

c/o Universal Realty

313 Washington Street

Newton, MA 02158

Contact: Mr. Robert S. Merowitz (617) 244-9400

A statement regarding Mr. Merowitz's previous development experience follows this page.

- (2.) Sources of Funds and Amounts to complete project.

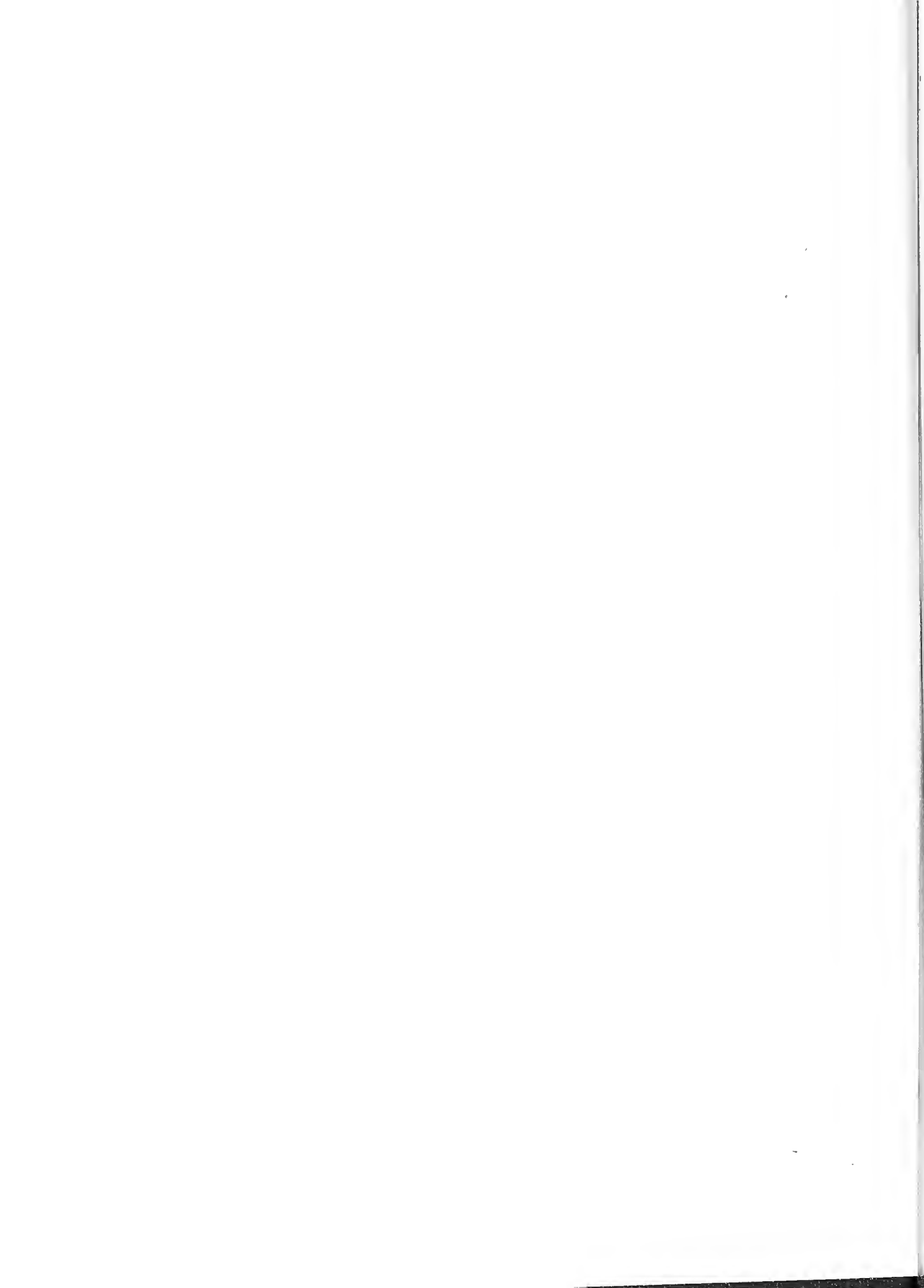
(Indian Tribes and Alaskan Native Villages must indicate whether they are using Tribal Trust Funds, and if so, must provide documentation allowing release of such funds).

(a) Debt Financing

<u>Source</u>	<u>Amount</u>	<u>Rate/Term</u>	<u>Status</u>	<u>Contact Person</u>	<u>Contact Telephone Number</u>
idg & Trust	\$10,646,000	pending		Arthur M. Harrison	(617) 926-7037
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

- (b) Equity Investment by Developer(s), including limited partnerships, syndicates, corporations, individuals:

<u>Source</u>	<u>Amounts</u>
Coolidge Bank & Trust Co.	\$1,900,000
Coolidge Bank & Trust Co.	\$1,500,000
_____	_____
_____	_____



## STATEMENT OF EXPERIENCE

Robert Merowitz, Trustee  
Theatre Hotel Associates Realty Trust

Mr. Merowitz maintains a principal office in Newton, Massachusetts, where he has been engaged in various aspects of real estate development for the last four years. Doing business in his own name, as a general and/or limited partner of various partnerships and joint ventures, as trustee of nominee real estate trusts, d/b/a Universal Realty from time to time, and as controlling stockholder and president of Universal Realty Corp., a Massachusetts corporation, he has specialized in real estate residential rental property acquisition for management, resale, and condominium conversion. Since July of 1972, either for his own holdings, through Universal Realty Corp., or for The Flatley Company of Braintree, Massachusetts, he has performed condominium conversions of apartment projects, including acquisition, rehabilitation, market, and resale of approximately 3,000 dwelling units. He employs staff on a project-by-project basis and currently maintains a full-time staff of seven persons as well as a number of part-time employees.

In addition to the condominium development work performed over the years, Mr. Merowitz has acted as a general partner of an office building development in Quincy, Massachusetts. The Quincy project, known as the Adams Building, involved the acquisition of a deteriorated building, the rehabilitation and restoration of the building as a certified historic structure by the National Park Service of the U.S. Department of the Interior, and the subsequent leasing of retail and commercial office space, in Quincy Center. Financing for this project was provided by the Massachusetts Industrial Finance Agency ("MIFA") as a commercial facility within the meaning of the Massachusetts industrial revenue bond statute. The total replacement cost of the Adams Building at closing was approximately \$2,500,000. He also performed the development work as a consultant for a project known as the Manganaro Building with a total replacement cost of approximately \$1,775,000, which was also a certified historic structure financed by MIFA. In addition, Mr. Merowitz has recently begun the UDAG assisted rehabilitation of the Franklin Block, an office/commercial structure in downtown Portsmouth, New Hampshire.

Prior to starting his own real estate development business in 1981, Mr. Merowitz was employed by The Flatley Company of Braintree, Massachusetts, a real estate development and management firm, as director of condominium sales from 1972 to 1981.





(c) UDAG Amount Requested: \$1,800,000

(d) Other Public Funds:  
(Give source and amount) N/A

(e) Other Funds (Specify) None

(f) For a pocket of poverty project, provide source and use of  
pocket's 20% match N/A

., Consultants (name and addresses, if any)

The Harrington Company  
18 Crowninshield Street  
Peabody, Mass. 01960

Mr. Michael Harrington  
(617) 532-5770

. Applicant: Include minimal but relevant information on the experience and/or the ability of the applicant in carrying out similar projects and its ability to successfully complete the project.

Complete Forms 3a, Sources and Uses of Funds and Form 3b, Other Public Financial Assistance Summary, and insert behind this page. Also include detailed unit cost construction estimate, detailed 10 year cash flow projections for commercial real estate projects, and 5 year cash flow projections for industrial projects.



## II. B. 3.b(4) Applicant Experience

The Boston Redevelopment Authority has been both the planning and urban renewal agency for the City of Boston since 1960.

The BRA was established in August, 1957, at the request of the Mayor and City Council and carried out urban renewal programs in accordance with Chapter 121B of the Massachusetts General Laws. It received its certificate of organization from the Secretary of the Commonwealth on October 4, 1957.

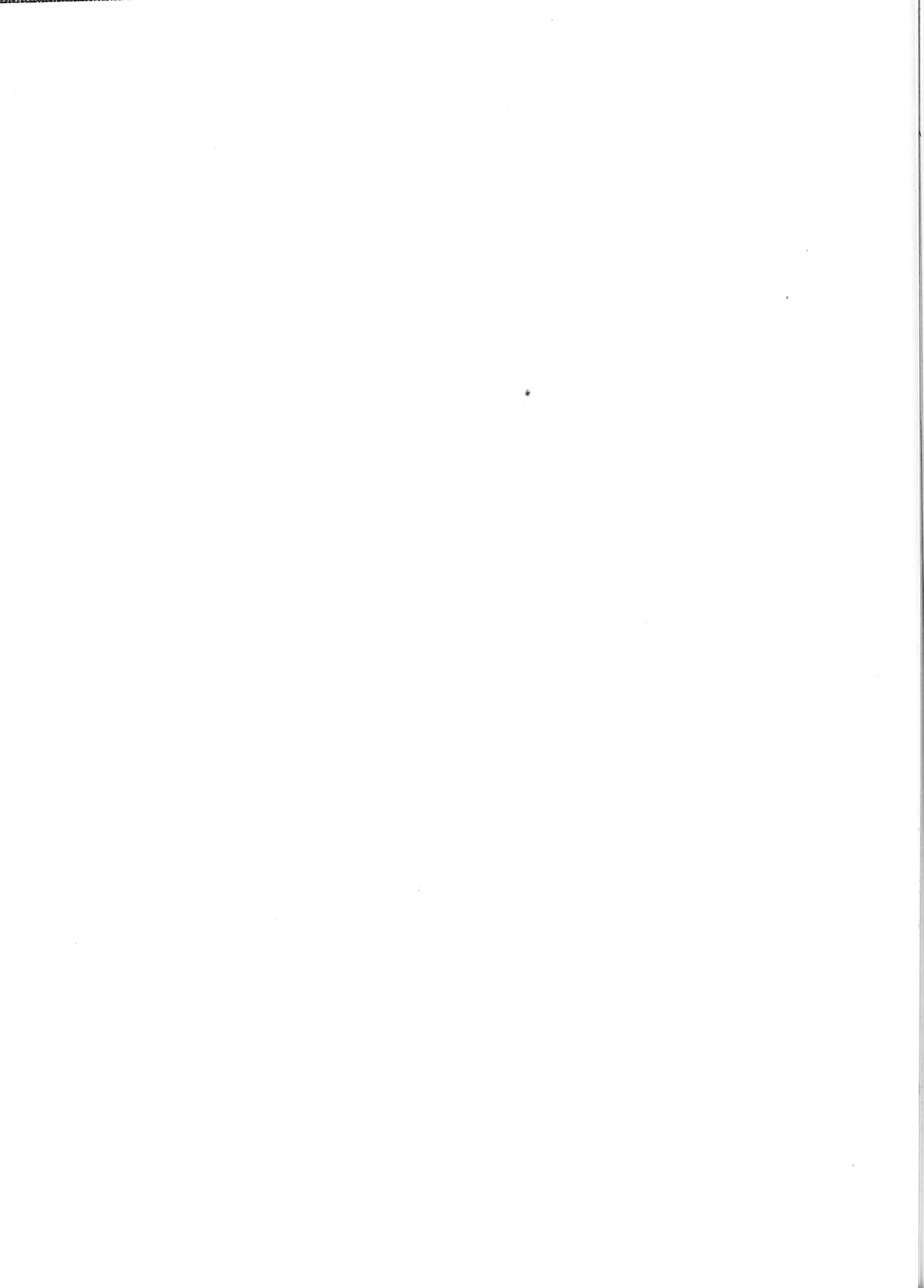
The planning function was assumed in 1960 when the City Planning Board was abolished and its staff transferred to the BRA.

Since 1957, the Authority has received over \$400 million in urban renewal and related Federal funding to undertake an ambitious program of redevelopment. Ten areas were originally proposed for funding, the most notable of the many neighborhood projects were the South End, Charlestown, South Cove and the Fenway. The Authority has received national and international recognition for its downtown renewal projects. The successful 40 acre Government Center project, which required \$50 million to complete, created a new skyline of private office construction. The 102 acre Downtown Waterfront resulted in a \$100 million total public investment, including the revitalization of the historic Faneuil Hall Marketplace.

The BRA is also the designated City agency responsible for the review and approval of all 121A applications within the City of Boston. Chapter 652 of the Acts of 1960 gives the BRA the power to approve applications or the formation of non-profit, limited dividend or cooperative entities under Chapter 121A, Section 13, of the Massachusetts General Laws for the purpose of redevelopment within the City.

In addition, the Authority reviews and makes recommendations on all cases before the Zoning Board of Appeal and must review and approve all development plans for Planned Development Area under the Boston Zoning Code.

The BRA's departments and disciplines include urban design, landscape, architecture, comprehensive planning, environmental review, preservation planning, legal, engineering, real estate and research.

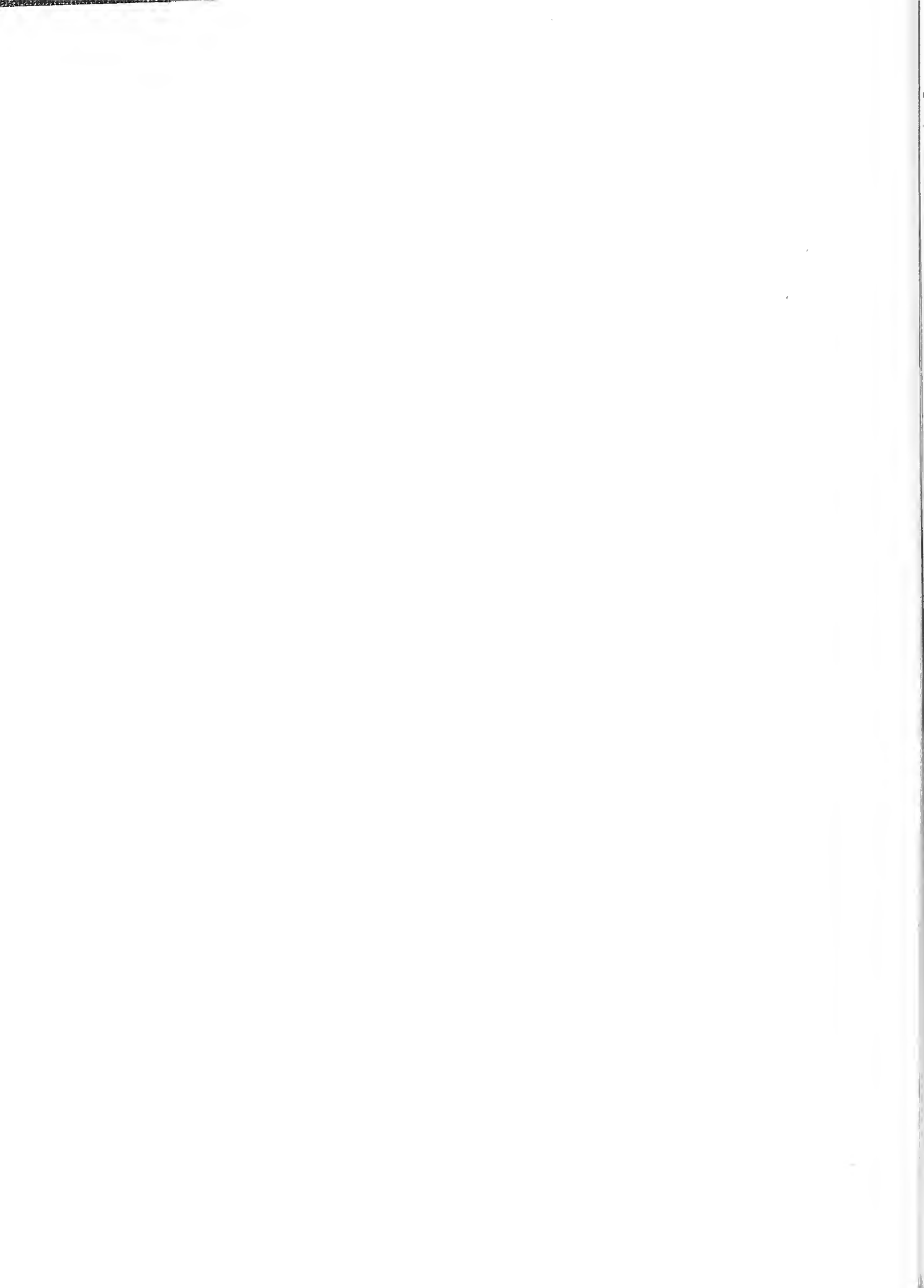


## SOURCES AND USES OF FUNDS FOR PROJECTS

This constitutes partial response to Part III, Section B 3b.

SOURCES OF FUNDS

<u>Line Item Activity</u>	<u>UDAG Funds</u>	<u>Private Equity</u>	<u>Loans (Including Revenue Bonds)</u>	<u>Other*</u>	<u>Total</u>
a. Land Acquisition	_____	_____	_____	_____	_____
b. Relocation of Persons and Businesses	_____	_____	_____	_____	_____
c. Clearance and Demolition	_____	_____	_____	_____	_____
d. Off-Site Improvements	_____	_____	_____	_____	_____
e. On-Site Improvements	_____	_____	_____	_____	_____
f. Building Construction	_____	_____	\$9,476,000	_____	\$9,476,000
g. Parking Facilities	_____	_____	_____	_____	_____
h. Capital Equipment	\$1,800,000	_____	_____	_____	\$1,800,000
i. Non-Capital Equipment (FFE, etc.)	_____	_____	_____	_____	_____
j. Professional Fees	\$ _____	_____	\$450,000	_____	\$ 450,000
k. <u>Interim Costs:</u> Construction Period Interest, Real Estate Taxes	\$ _____	_____	\$700,000	_____	\$ 700,000



UDAG Form 3a Cont'd.  
SOURCES AND USES OF FUNDS FOR PROJECTS

<u>Line Item Activity</u>	<u>UDAG Funds</u>	<u>Private Equity</u>	<u>Loans (Including Revenue Bonds)</u>	<u>Other*</u>	<u>Total</u>
l. Contingency	_____	_____	_____	_____	_____
m. Cost Subtotal (sum of lines a-l)	\$1,800,000	_____	\$10,626,000	_____	\$12,426,000
n. Administration	_____	_____	_____	_____	_____
o. Working Capital	_____	_____	_____	_____	_____
p. Total Project Costs (sum of lines m + n + o)	\$1,800,000	_____	\$10,626,000	_____	\$12,426,000

\*On a separate page, specify the source and use of other funds if they are not included on UDAG Form 3b.

For Indian Tribes, Tribal Enterprise equity should be placed under "private equity."  
Tribal Trust Funds should be distinguished from other tribal funds.





# Cutler

*Engineers & Contractors*

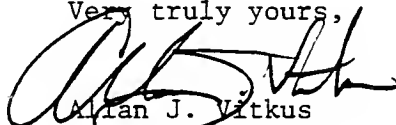
October 22, 1984

Koala Inns Of America Corp.  
Ten Post Office Square  
Boston, Mass. 02109

Gentlemen:

The undersigned certifies that the attached estimates include our estimated costs to construct and rehabilitate the Bradford Hotel in accordance with your proposed plans.

Very truly yours,



Adrian J. Vitkus  
Cutler Associates, Inc.



# THE BRADFORD HOTEL

## Summary of Estimated Costs

### Soft Costs

Architectural	\$ 200,000
Engineering	150,000
Legal	50,000
Consultants	50,000
Construction Loan Interest	700,000
	<u>\$1,150,000</u>

### Rehabilitation Costs

General Construction	\$6,000,000
HVAC	1,531,000
Electrical	1,085,000
Plumbing	420,000
Fire Safety	440,000
	<u>\$9,476,000</u>

### Furniture, Fixtures & Equipment

Guest Rooms (293 @ 5000)	\$1,465,000
Corridors	170,000
Ballroom/Theatre	47,000
Lobby	45,000
Restaurant, Bar/Lounge	35,000
Mezzanine/Drawing Room	18,000
Concierge/Registration Desk	10,000
Sales Office	10,000
	<u>\$1,800,000</u>





THE BRADFORD HOTEL  
PROJECTED STATEMENT OF OPERATIONS  
FOR THE PERIOD OF 1985 THROUGH 1989

	P R O J E C T I O N					TOTAL FIVE YEARS
	1985	1986	1987	1988	1989	
STATISTICAL INFORMATION						
OCCUPANCY %	55.00	59.00	65.00	68.00	70.00	63.98
NUMBER OF ROOMS SOLD	43161	56422	69277	72673	74606	316139
NUMBER OF AVAIL ROOMS/DAY	215	262	292	292	292	1353
NUMBER OF AVAIL ROOMS/YEAR	78475	95630	106580	106872	106580	494137
AVERAGE ROOM RATE	53.00	69.00	75.00	81.00	87.00	75.14
100% OCCUPANCY VALUE	4159175	6598470	7993500	8656632	9272460	37127848
FINANCIAL INFORMATION						
REVENUE	2287546	3893097	5195775	5886510	6490722	23753650
ROOMS	125000	75000	82500	90750	99825	473075
FUNCTION/MEETING ROOMS	50000	75000	100000	105500	111303	441803
COMMERCIAL RENTS	400000	1200000	2000000	2400000	2650000	8650000
FOOD & BEVERAGE	32000	105000	132000	138000	142000	599000
TELEPHONE						
GROSS REVENUE	2944546	5348097	7510275	8620760	9493850	33917528
DEPARTMENTAL EXPENSES:						
ROOMS	757000	1013000	1342000	1498000	1628000	6238000
FOOD & BEVERAGE	360000	1080000	1800000	2160000	2385000	7785000
TELEPHONE	77900	99750	125400	131100	134900	569050
TOTAL DEPARTMENTAL EXPENSES	1194900	2192750	3267400	3789100	4147900	14592050
GROSS OPERATING INCOME/-LOSS	1749646	3155347	4242875	4831660	5345950	19325478
UNDISTRIBUTED EXPENSES:						
ADMINISTRATIVE & GENERAL	450000	474750	500861	528409	557471	2511491
MARKETING & SALES	175000	250000	225000	237375	250431	1137806
PROPERTY OPERATIONS & MAINTENANCE	190000	225000	240000	265000	290000	1210000
ENERGY	350000	425000	448000	473000	499000	2195000
TOTAL UNDISTRIBUTED EXPENSES	1165000	1374750	1413861	1503784	1596902	7054297
INCOME BEFORE FIXED CHARGES	584646	1780597	2829014	3327876	3749048	12271181
FIXED CHARGES						
REAL ESTATE TAXES	200000	350000	359000	368000	377000	1654000
MANAGEMENT FEE	204000	332000	441000	498000	548000	2023000
INSURANCE	25000	26000	28000	29000	31000	139000
NET INCOME BEFORE DEBT SERVICE	155646	1072597	2001014	2432876	2793048	8455181
DEBT SERVICE						
1ST MORTGAGE (\$5,750K @ 12.9%)	741750	741750	741750	741750	741750	3708750
RENOVATION MORTGAGE (\$12,000K @ 15%)	0	1500000	1300000	1800000	1800000	6900000
NET INCOME/-LOSS BEFORE DEPRECIATION	-586104	-1169153	-540736	-108874	251298	-2153569
ESTIMATED REDUCTION OF INTEREST ASSUMING \$1,800 @ 12%						
NET INCOME/-LOSS AFTER INTEREST REDUCTION	-370104	-953153	-324736	107126	467298	-1073569



UDAG Repayment Summary (Complete the form below)

Amount of Action Grant to be repaid: \$1,800,000

(Action Grant  
amount involved  
in recapture  
plan)

Term: 25 years

Interest Rate(s): 3%

Participation in Gross Revenues or Net Cash Flow: None

Participation in Residuals None  
(Sale, Refinance, etc.):

Describe the Administration of Repayment Process

Project Schedule (Complete the form below)

	<u>Start</u>	<u>Complete</u>
Site Acquisition	<u>Established</u>	<u></u>
Private Construction	<u>1/15/85</u>	<u>5/31/86</u>
Public Construction	<u>--</u>	<u>--</u>
New Permanent Jobs	<u>5/31/86</u>	<u>11/1/88</u>



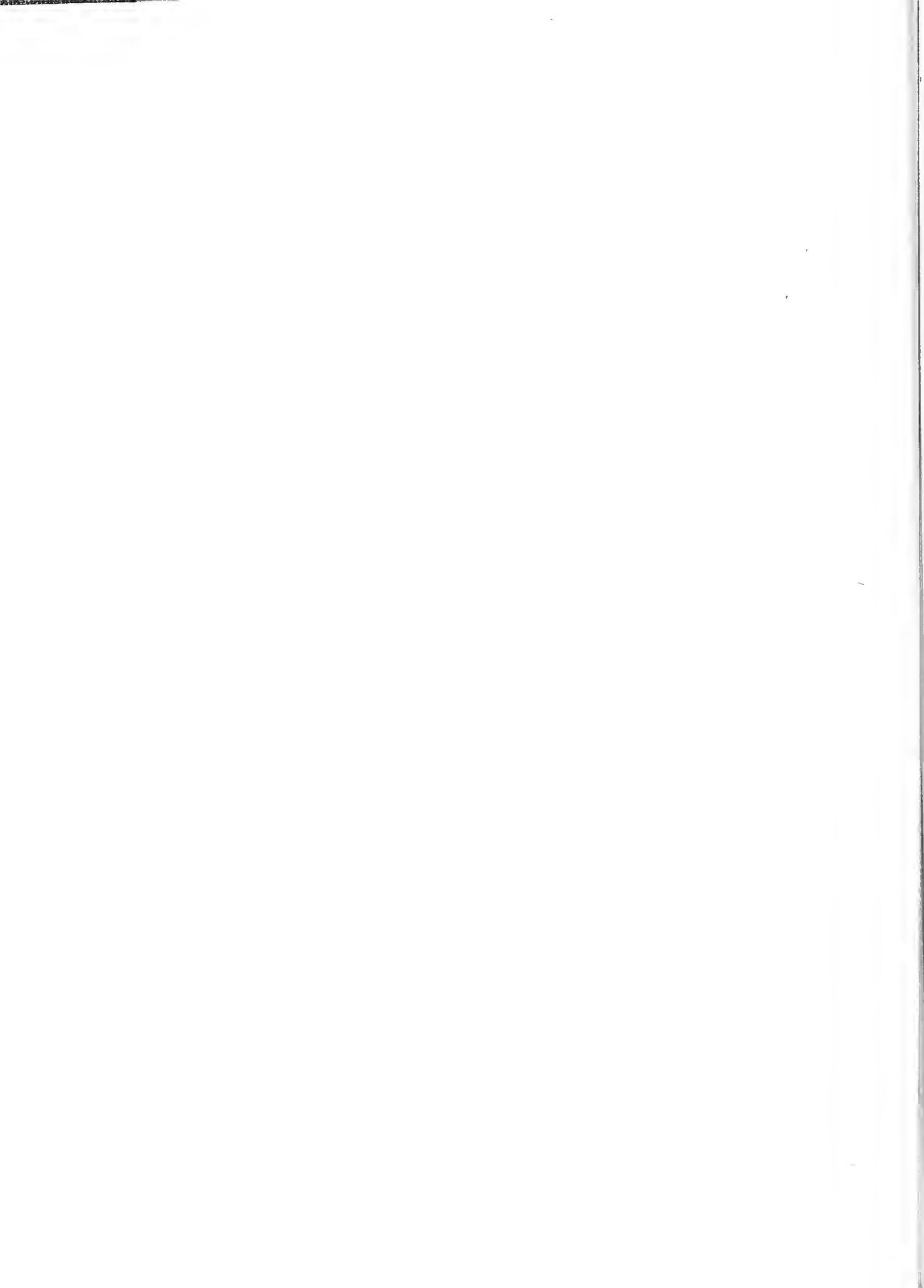


## SECTION C

### STATEMENT OF UDAG JUSTIFICATION OF NEED

This request for a \$1,800,000 UDAG loan is required due to the physical conditions which the Theatre District, location of the Bradford Hotel, impose upon the success of the project. Presently the District, and "Combat Zone" in general, is best described as a sector of the City in a deteriorated state. The departure of major retail operations along Washington Street, the shrinking of Boston's garment industry and the concentration of adult entertainment activities in the "Combat Zone" are the events which have led to the deterioration and the underutilization of buildings in the Theatre District/Chinatown area during the post World War II period. Investors, theatre patrons and shoppers have deliberately avoided the Lower District and the general image of blight.

The developer has conducted a feasibility study which sets forth a marketable room rate for the proposed development. It is evident that financing at conventional rates will not produce feasibility for the project due to its location within a less desirable section of the City. Therefore, UDAG financing is sought in order to maintain the competitive edge reduced room rates will afford to the proposed project.



SECTION D

MARKET FEASIBILITY

Full marketing report will be forwarded under separate cover to HUD UDAG staff.



## SECTION E

### EVIDENCE OF PUBLIC AND/OR PRIVATE COMMITMENTS.

1. Documentation from Developer - A commitment letter from Robert S. Merowitz, trustee Theatre Hotel Associates Realty Trust, is included in this section.
2. Documentation from Lender - a letter from the Coolidge Bank and Trust Company is included in this section.
3. Financial Statements - The 1983 Annual Report of the First Coolidge Corporation is included in this section. The financial statements of Robert S. Merowitz will be transmitted under separate cover.



THEATRE HOTEL ASSOCIATES REALTY TRUST

313 Washington Street  
Newton, MA 02158

(617) 244-9400

November 8, 1984

Honorable Raymond L. Flynn  
Mayor, City of Boston  
One City Hall Square  
Boston, MA 02201

Dear Mayor Flynn:

This letter will serve to express the commitment of Theatre Hotel Associates Realty Trust to move forward with the plans for the renovation of the Bradford Hotel, located at 275 Tremont Street, Boston.

Theatre Hotel Associates is prepared to undertake a project for a total cost of \$12,426,000. The components of these costs are thus described within the referenced UDAG application and include the following:

• Rehabilitation of the Hotel	\$9,476,000
• Purchase of Equipment	\$1,800,000
• Fees, Interest and Miscellaneous	\$1,150,000.

It is the intention of Theatre Hotel Associates to obtain funding of these costs from the following sources, including our request for a UDAG loan:

• \$1,800,000	UDAG
• 10,626,000	To be provided by Coolidge Bank and Trust Company.

Evidence of a commitment of \$10,626,000 in non-UDAG financing will be forwarded to you in the near future.

In addition, Theatre Hotel Associates has presently expended \$1,900,000 in equity funds towards acquisition and associated costs for the hotel. We anticipate expending an additional \$1,500,000 within the next few years to cover shortfalls we are anticipating as a result of the project. We anticipate the employment of 260 additional workers along with 50 present hotel employees within the next four years due to our rehabilitation program.

Should an award of UDAG funds be made to the City of Boston on





Honorable Raymond L. Flynn  
Mayor, City of Boston

November 8, 1984  
Page 2

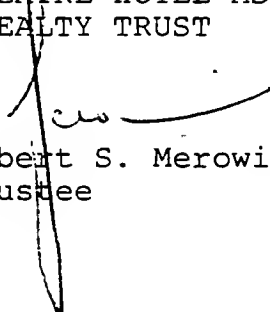
behalf of our project, we would be willing to enter into a legally binding commitment with the City regarding a lending agreement. But-for these UDAG funds we would not be able to undertake the project. The current environment of the Bradford Hotel dictates a room rent which would fail to produce an economically feasible project without the UDAG funds.

I, as Trustee of Theatre Hotel Associates Realty Trust, have the authority to set the commitments expressed above and to enter into negotiations with the City of Boston or UDAG representatives in relation to this UDAG application.

I am most appreciative of your interest in our project and your efforts on our behalf. I will be available if further information requirements are made by the HUD office.

Sincerely,

THEATRE HOTEL ASSOCIATES  
REALTY TRUST



Robert S. Merowitz  
Trustee

RSM:jo





# Coolidge Bank and Trust Company

65 Main Street/Watertown Square/Watertown, Massachusetts 02172/Telephone 617-926-7037

TLX: 948-290  
Cable: COOLBANK

ARTHUR M. HARRISON  
SENIOR VICE PRESIDENT

October 25, 1984

Boston Redevelopment Authority  
Ms. Carol Mathieson  
City Hall, Room 920  
Boston, MA 02201

RE: Theatre Hotel Associates  
Project Financing

Dear Ms. Mathieson:

Coolidge Bank and Trust Company is presently a lender to Theatre Hotel Associates having loaned the company \$2,150,000 to support acquisition of the hotel and interim operations. We have discussed with the owners and Koala Inns of America, Inc., the hotel management company, their plans to undertake a large scale renovation of the hotel in approximate amount of \$12,000,000. Koala Inns is well known to us and we have confidence in their professional ability to restore this grand hotel to a position of prominence in the Boston market. We understand that the owners presently envision a financing requirement of \$9,426,000. We look forward to developing with participants a financing program which will provide for the completion of this project. Based on these conversations and supporting materials received to date, we believe that the improved level and quality of service the hotel will offer will justify these expenditures. The availability of a strong UDAG funding commitment is a critical element in our consideration of an appropriate financing structure.

Very truly yours,

Arthur M. Harrison  
Senior Vice President

AMH:emm



## To Our Stockholders:

I am pleased to report a year of development and of substantially increased net income. This was my first year as Chairman, and Bernard T. West's first as President, of First Coolidge Corporation and of Coolidge Bank and Trust Company (the Bank).

Net income for 1983 was \$2,609,029 as against \$2,011,455 for 1982, an increase of 29.7%. Net income for each year included the effect of an extraordinary credit from the utilization of tax loss carryforwards. That credit was \$1,122,008 for 1983 and \$838,000 for 1982.

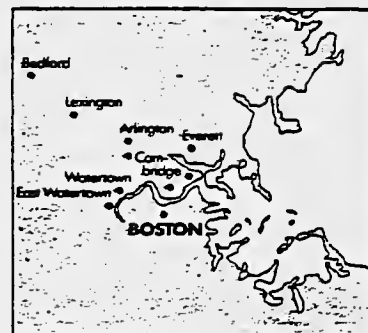
The Bank's total assets increased to \$204,383,000 at December 31, 1983 from \$151,390,000 for the same period in 1982. Increased net income enabled the Bank to maintain an appropriate ratio of capital funds to total assets, despite the first sizable increase in total assets achieved by the Bank since the early seventies.

This spring the Bank will be opening its first branch outside Middlesex County in the Allston-Brighton area of Boston. This will be the Bank's tenth branch and is an important event in itself. We, at Coolidge, are constantly considering other opportunities to expand the Bank's services to other local communities. Also, by the late spring, our offices in Harvard Square, Bedford and Arlington Center will find themselves in substantially improved quarters.

We have continued to add to our senior management team during the past year. John L. Champion, who joined the Bank last June has become a Senior Vice President. John Champion, as treasurer, has effected major improvements in our accounting systems and in the information available to senior management. Arthur M. Harrison, who joined us earlier this year as Senior Vice President, is organizing for the Bank a new department for construction, development and participation lending. His addition to our Bank, and that of several other widely experienced real estate lenders, represents a new emphasis and a new strength for our Bank.

I am most pleased to report that in January John K. Dineen joined the Coolidge Boards of Directors. Mr. Dineen is a partner with Gaston Snow & Ely Bartlett in Boston. The Bank will, I am confident, benefit greatly from Mr. Dineen's advice and expertise.

Coolidge is, indeed, "On the Move". Our basic strategy for 1984 and beyond will stress understanding the needs of our customers, offering the best available deposit, loan and service arrangements and preparing ourselves in staff and equipment for quick and effective response to changes in those customer needs. All these aims, objects and measures will have one compelling imperative, namely for us to say to our customers "COOLIDGE PUTS YOU FIRST."



**Ismael Dudhia**  
Chairman

*Ismael Dudhia*

**Bernard T. West**  
President

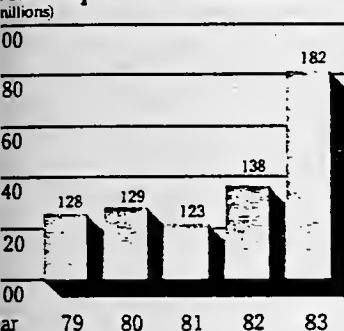
*Bernard T. West*





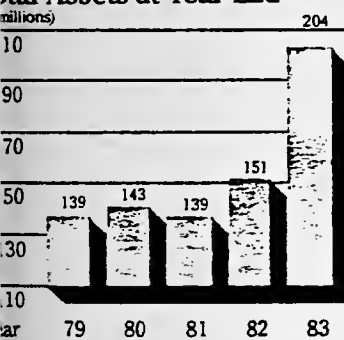
## Activities and Developments of Coolidge Bank

**Total Deposits at Year End**



The Bank's total deposits increased by 54 million dollars from the end of 1979 to the end of 1983. The gain of 42% in total deposits over that period was achieved without a merger or acquisition and without opening any new branches.

**Total Assets at Year End**



Total assets over the same period increased by 65 million dollars or 47% for the four year period. That gain, apart from the increase in deposits, was achieved principally by additions to capital funds through retained earnings.

Coolidge Bank is predominantly a retail institution and is the largest independent commercial bank based in Middlesex County. It is a state chartered bank founded in 1960. It has ten offices, nine of which are in Middlesex County in Watertown, Cambridge, Arlington, Bedford, Lexington and Everett and as of April, 1984, one in the Allston-Brighton district of Boston.

The past five years have seen major changes in the Bank's management and staff, significant growth in the size of its business and increasingly profitable operations.

Apart from opening its first office outside of Middlesex County, the Bank has provided for major improvements to three of its existing offices early in 1984. Its branch in Harvard Square will be replaced by a more attractive and convenient office in a large new building now being completed. The Bank's Bedford office will make a similar move to space within a reconstructed building on the present site. Major improvements are to be carried out at its Arlington Center office this spring, with a more efficient use of the building owned by the Bank.

Coolidge Bank's deposits are heavily retail in character and involve accounts of many thousands of households and small businesses. One third of its deposits involve a certificate rather than an open account, but only 11.8% of its deposits are in amounts of \$100,000 or more. The Bank has about 14,700 checking accounts, 27,000 NOW accounts and 7,500 savings accounts. It has about 2,000 money market accounts and 1,000 Super NOW accounts, the two new types authorized at the beginning of 1983 on which higher interest rates may be paid. About 20% of its open account deposits involve the checking and money market accounts of businesses. About 42% of non-certificate deposits involve NOW accounts and Super NOW accounts. Personal money market accounts amount to 17% of non-certificate deposits.

The Bank, as of March 1, 1984, employed 222 persons, of whom 47 were part-time employees. First Coolidge has no employees apart from those of Coolidge Bank. During the past two years, a review of the Bank's organization and its plans for growth have led to the hiring of many highly qualified officers and staff people.

This is particularly the case in the field of real estate lending. A new department has been formed for construction and participation loans. Arthur M. Harrison has joined the Bank as a senior vice president who will concentrate in that area. Experienced lending officers have also joined the Bank in the area of home mortgage lending. The Bank has become a seller-servicer for the secondary market in home mortgage loans and expects to process a far greater volume of loans than it could prudently add to its own mortgage loan portfolio.

A wide range of commercial banking services and consumer loans is available through each of Coolidge Bank's offices. Commercial loan services include short term unsecured loans, business equipment financing, issuance of letters of credit (foreign and domestic) and SBA guaranteed financing of smaller businesses. A further new lending unit is being formed within the next three months to specialize in lending and financial services to very small businesses. The amount of outstanding commercial loans was increased greatly during 1983 and early in 1984. The Bank is giving new emphasis to commercial real estate, construction and development loans.

Consumer credit services include home mortgage loans, home improvement loans, consumer instalment loans, lines of credit associated with American Express executive credit cards and borrowing through automated teller machines. The Bank is conducting several promotions during the current year in which one day service is being offered to instalment loan customers, for application, approval and closing. It is intended that this will become a regular continuing service of the Bank ("Dial-A-Loan").





The Bank makes a large number of other services available to its customers. During 1983, it began to offer discount brokerage services, which will permit them to purchase securities at a greatly reduced commission cost. The volume of the Bank's L.R.A. account services was significantly increased during the year. Coolidge Bank began to offer Visa and MasterCard services through a bank which operates a large credit card program. The Bank offers automatic payroll processing services through Automatic Data Processing to provide commercial customers with a comprehensive package of financial services. In 1984, the Bank will offer expanded account reconciliation services to its commercial customers.

The Bank was the first in the area to provide automatic teller machines at all of its offices. In 1983, it began a program of enclosing all of those machines in vestibules for the security and comfort of its ATM users. In 1984 the Bank is joining an automatic funds transfer network which will make available to its customers a large number of automatic teller machines at other banks and at offsite locations.

The Bank has had its own data processing center for more than ten years. During that period, it has had its automatic teller machines and teller stations on-line to its computer. The Bank will be upgrading its computer equipment substantially within the next three months. That change will permit Coolidge Bank to purchase and implement a number of software packages during 1984. The Bank will then be able to originate automatic transfers affecting accounts in other banks through the automatic clearing system. Those changes will permit far more rapid access to information for the Bank and its customers, and a number of improved services can be offered as a result.

First Coolidge Corporation is a registered bank holding company under federal law. It will not be such a holding company under Massachusetts law until it acquires one or more other banks. First Coolidge has at present no activity apart from that of Coolidge Bank.

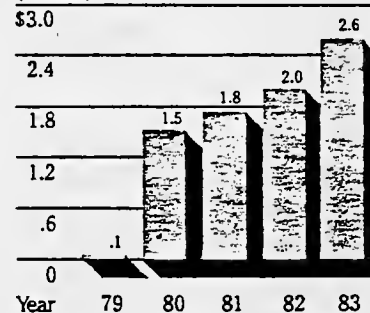
The shares of the Corporation's common stock are traded in the over-the-counter market. The following table sets forth the range of prices per share of that stock:

QUARTER	LOW	HIGH
<b>1983</b>		
1st quarter	\$7.50	\$8.50
2nd quarter	7.75	8.75
3rd quarter	7.25	8.25
4th quarter	7.50	8.50
<b>1982</b>		
1st quarter	7.50	8.25
2nd quarter	6.50	7.50
3rd quarter	6.50	7.50
4th quarter	6.25	7.25

The source of the above quotations are the records of Kidder Peabody & Co., Inc., a market maker for the stock.

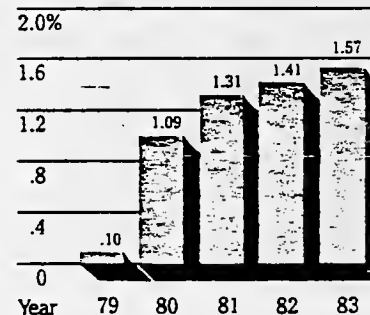
The number of holders of such shares is approximately 1,400, reflecting both registered holders and individual participants in holdings by securities dealers.

#### Net Income (\$ millions)



Net income increased by more than 1800% from 1979 to 1983, partly as a result of much more successful operation as reflected in net income before extraordinary item, and partly from an extraordinary item in each of the latter four years, representing the effect of net operating loss carryforwards.

#### Return on Average Assets



Return on average assets increased more than 15-fold from 1979 to 1983, as an increasing volume of assets were more effectively utilized in loans and in the Bank's other investments.



# Consolidated Statements of Condition

	December 31,	1983	1982
<b>ASSETS</b>			
Cash and due from banks (Note 2)	\$	9,687,740	\$ 7,209,900
Interest bearing bank deposits		41,093,750	23,000,000
Investment securities (Note 3):			
(Market values \$53,429,000 at December 31, 1983 and \$31,895,000 at December 31, 1982)		57,688,572	36,066,765
Federal funds sold		8,000,000	4,000,000
Loans, gross (Notes 4 and 6)		83,296,130	77,133,209
Unearned discount		(1,183,848)	(1,360,667)
Reserve for possible loan losses (Note 5)		(1,226,475)	(1,074,186)
Loans, net		80,885,807	74,698,356
Buildings and equipment (Notes 7 and 8)		3,622,481	3,627,242
Unreclosed real estate (Note 9)		—	274,185
Other assets		3,405,044	2,513,283
<b>Total assets</b>		<b>\$204,383,394</b>	<b>\$151,389,731</b>
<b>LIABILITIES</b>			
Deposits (Note 10):			
Demand deposits	\$	36,711,569	\$ 32,163,069
NOW account deposits		41,779,239	46,972,411
Super NOW account deposits		8,761,075	—
Money market account deposits		21,749,337	7,404,981
Savings deposits		12,372,727	14,892,833
Time deposits		60,604,285	36,347,170
<b>Total deposits</b>		<b>181,978,232</b>	<b>137,780,464</b>
Short term borrowings (Notes 3 and 11)		6,554,993	168,433
Treasury tax and loan note account (Note 11)		541,859	1,199,367
Obligations under capital leases (Note 8)		72,455	252,273
Other liabilities		2,038,588	1,201,990
<b>Total liabilities</b>		<b>\$191,186,127</b>	<b>\$140,602,527</b>
Commitments and contingencies (Notes 6, 8 and 14)			
<b>STOCKHOLDERS' EQUITY</b>			
Preferred stock, par value \$1.00 per share (Note 15):			
	1983	1982	
Shares authorized	2,000,000	2,000,000	
Shares issued and outstanding	NONE	NONE	
Common stock, par value \$3.00 per share:			
	1983	1982	
Shares authorized	4,000,000	4,000,000	
Shares issued and outstanding	1,751,497	1,751,163	5,254,490
Treasury stock (none in 1983 and 306 shares carried at cost in 1982)			(1,908)
Capital surplus			6,821,733
Retained earnings (accumulated deficit)			(1,286,109)
Valuation allowance on marketable equity securities (Note 3)			(202,875)
<b>Total stockholders' equity</b>		<b>13,197,267</b>	<b>10,787,204</b>
<b>Total liabilities and stockholders' equity</b>		<b>\$204,383,394</b>	<b>\$151,389,731</b>

See accompanying notes to consolidated financial statements.



# Consolidated Statements of Income

	Years Ended December 31,	1983	1982	1981
<b>INTEREST INCOME:</b>				
Interest and fees on loans		\$10,392,592	\$11,021,765	\$10,144,032
Interest and dividends on investment securities:				
Subject to federal taxation		3,844,763	2,906,846	2,250,970
Exempt from federal taxation		92,922	97,986	101,080
Dividend income		39,364	62,336	41,093
Total interest and dividends on investment securities		3,977,049	3,067,168	2,393,143
Other interest income, principally from banks		3,084,232	2,961,796	3,951,426
Total interest income		17,453,873	17,050,729	16,488,601
<b>INTEREST EXPENSE:</b>				
Deposits (Note 10)		8,178,115	7,458,153	7,142,738
Short-term borrowings		207,184	350,831	519,681
Long-term borrowings		21,650	129,567	295,876
Total interest expense		8,406,949	7,938,551	7,958,295
Net interest income		9,046,924	9,112,178	8,530,306
Provision for possible loan losses (Note 5)		—	—	125,000
Net interest income after provision for possible loan losses		9,046,924	9,112,178	8,405,306
<b>NON-INTEREST INCOME:</b>				
Service charges on deposit accounts		994,518	405,102	629,165
Other service charges		755,522	564,065	494,332
Net gains (losses) on sales of investment securities (Note 3)		104,554	217,401	(36,179)
Other		118,225	185,064	119,240
Total non-interest income		1,972,819	1,371,632	1,206,558
Income before other expenses		11,019,743	10,483,810	9,611,864
<b>OTHER EXPENSES:</b>				
Salaries and employee benefits		4,210,780	4,070,552	3,559,877
Net occupancy expenses		813,995	928,135	952,898
Equipment expenses		758,049	727,937	710,972
Other (Note 13)		2,253,734	2,457,731	2,370,544
Total other expenses		8,036,558	8,184,355	7,594,291
Income before income taxes and extraordinary item		2,983,185	2,299,455	2,017,573
Provision for income taxes (Note 12)		1,496,164	1,126,000	965,000
Income before extraordinary item		1,487,021	1,173,455	1,052,573
Extraordinary item—reduction of income taxes arising from carryforward of prior year's operating losses (Note 12)		1,122,008	838,000	745,000
Net income		\$ 2,609,029	\$ 2,011,455	\$ 1,797,573
Average shares outstanding		1,749,909	1,751,081	1,747,347
<b>INCOME PER SHARE (NOTE 1):</b>				
Income before extraordinary item		\$ .85	\$ .67	\$ .60
Extraordinary item		.64	.48	.43
Net income		\$1.49	\$1.15	\$1.03

See accompanying notes to consolidated financial statements.



## Consolidated Statements of Changes in Stockholders' Equity

Years Ended December 31, 1983, 1982 and 1981

	Common Stock	Treasury Stock	Capital Surplus	Retained Earnings (Accumulated Deficit)	Valuation Allowance on Marketable Equity Securities	Total
<b>Balance, December 31, 1980</b>	\$5,234,498	\$ —	\$6,808,743	\$ (5,095,137)	\$ —	\$ 6,948,104
Sale of 6,000 shares of common stock	18,000	—	12,000	—	—	30,000
Net Income—1981	—	—	—	1,797,573	—	1,797,573
<b>Balance, December 31, 1981</b>	5,252,498	—	6,820,743	(3,297,564)	—	8,775,677
Sale of 330 shares of common stock	990	—	990	—	—	1,980
Purchase of 306 treasury shares	—	(1,908)	—	—	—	(1,908)
Net Income—1982	—	—	—	2,011,455	—	2,011,455
<b>Balance, December 31, 1982</b>	5,253,488	(1,908)	6,821,733	(1,286,109)	—	10,787,204
Sale of 334 shares of common stock	1,002	—	999	—	—	2,001
Treasury stock transactions:						
Purchases of 2,581 shares	—	(18,331)	—	—	—	(18,331)
Sales of 2,887 shares	—	20,239	—	—	—	20,239
	—	1,908	—	—	—	1,908
Provision for net unrealized loss on marketable equity securities	—	—	—	—	(202,875)	(202,875)
Net Income—1983	—	—	—	2,609,029	—	2,609,029
<b>Balance, December 31, 1983</b>	\$5,254,490	\$ —	\$6,822,732	\$ 1,322,920	\$ (202,875)	\$13,197,267

See accompanying notes to consolidated financial statements.





## Consolidated Statements of Changes in Financial Position

	Years Ended December 31,	1983	1982	1981
<b>FINANCIAL RESOURCES WERE PROVIDED BY:</b>				
Income before extraordinary item		\$ 1,487,021	\$ 1,173,455	\$ 1,052,573
Added charges not affecting resources:				
Provision for possible loan losses		—	—	125,000
Depreciation and amortization		523,030	628,255	653,789
		2,010,051	1,801,710	1,831,362
Extraordinary item—reduction of income taxes arising from carryfor-				
ward of prior years' operating losses		1,122,008	838,000	745,000
Proceeds from sale of common stock, net		2,001	72	30,000
Proceeds from sale of treasury stock		1,908	—	—
Increase in total deposits		44,197,768	14,803,616	—
Increase (decrease) in short term borrowings		6,386,560	(1,228,512)	401,980
Increase in other liabilities		836,598	—	—
Increase in foreclosed real estate		274,185	157,449	—
Increase) decrease in cash and other, net		—	(1,369,032)	1,173,384
		\$54,831,079	\$15,003,303	\$ 4,181,726
<b>FINANCIAL RESOURCES WERE USED FOR:</b>				
Increase (decrease) in earning assets:				
Interest bearing bank deposits		\$18,093,750	\$ 2,850,000	\$(6,950,000)
Investment securities		21,824,682	5,526,184	2,147,948
Federal funds sold		4,000,000	250,000	2,750,000
Loans, net		6,187,451	3,939,370	(775,842)
		50,105,883	12,565,554	(2,827,894)
Increase in cash and due from banks		2,477,840	—	—
Redemption of capital notes		—	2,100,000	—
Additions to premises and equipment, net		518,269	177,321	203,375
Increase in other assets		891,761	—	—
Increase in total deposits		—	—	6,472,027
Increase in treasury, tax and loan note account		657,508	—	—
Principal reductions under capital lease obligations (Note 8)		179,818	160,428	206,093
Increase in foreclosed real estate		—	—	128,125
		\$54,831,079	\$15,003,303	\$ 4,181,726

See accompanying notes to consolidated financial statements.



## Notes to Consolidated Financial Statements

### Note 1—Summary of Significant Accounting Policies

#### Basis of Presentation

The consolidated financial statements of First Coolidge Corporation ("the Corporation") include the accounts of the Corporation and its wholly owned subsidiary, Coolidge Bank and Trust Company ("the Bank"). All significant intercompany balances and transactions have been eliminated. Certain amounts in the accompanying consolidated financial statements for the years ended December 31, 1982 and 1981 have been reclassified to conform with current year presentation.

#### Investment Securities

Investment securities include both debt securities and equity securities. Debt securities are carried at cost, adjusted for amortization of premiums and accretion of discounts on a straight-line basis. Marketable equity securities are carried at the lower of aggregate cost or market value. The amount by which the aggregate cost of marketable equity securities exceeds market value is accounted for as a valuation allowance and is deducted from the carrying value of the securities and stockholders' equity. Gains or losses on sales of investment securities for both financial reporting and income tax purposes are recognized upon realization on a specific identification basis.

#### Loans

Loans are carried at the principal amount outstanding, net of unearned discount. Interest is credited to operations based upon the principal amount outstanding, except for certain instalment loans where interest is credited under the sum-of-the-months' digits method. Interest is not accrued on commercial and mortgage loans on which a default in the payment of principal or interest has existed for a period in excess of sixty days except for those loans which, in management's judgment, either have collateral sufficient to cover both interest and principal or are guaranteed by a government agency. Interest income on such non-accrual loans is recognized only to the extent payments are received.

The portion of loan origination discounts which exceeds direct underwriting costs is deferred and credited to income over the average life of the related loans, estimated to be 8 years. Loan commitment fees are deferred and credited to income over the term of the related commitment.

#### Reserve for Possible Loan Losses

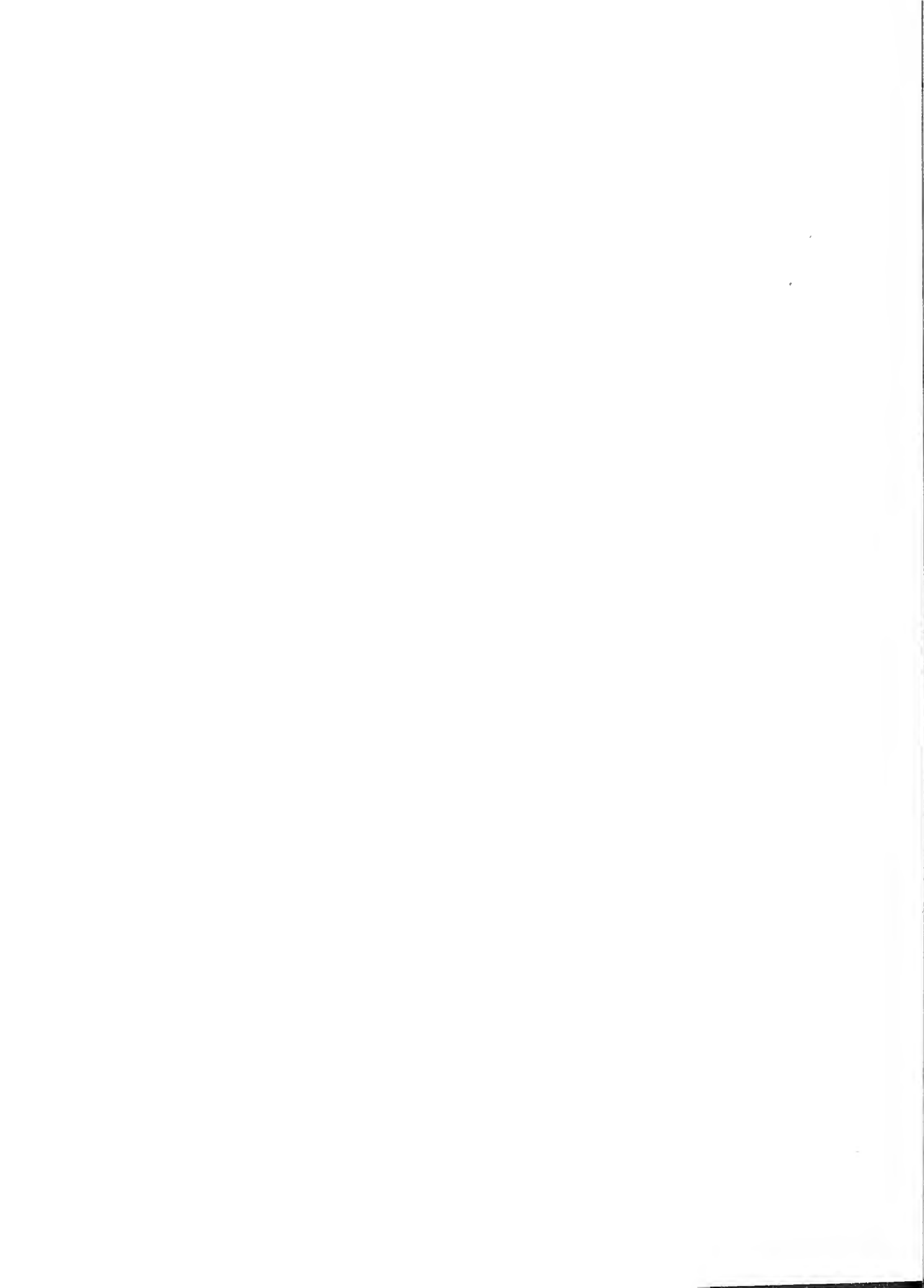
The Bank is on the allowance method in providing for loan losses. Accordingly, all loan losses are charged to the reserve for possible loan losses and all recoveries are credited to it. The provision for possible loan losses charged to operating expense is based upon management's judgment as to the amount necessary to maintain the reserve at an adequate level after taking into consideration a variety of factors including losses charged to the reserve, the composition of the loan portfolio, loan delinquencies, current economic conditions and past experience of the relationship among loans, loan losses and the level of the reserve.

#### Premises and Equipment

Premises and equipment are carried at cost less accumulated depreciation and amortization. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized on the straight-line method over the lesser of the estimated life of the improvement or the term of the lease. Gains or losses are credited or charged to income upon disposition. Maintenance and repairs are charged to expense as incurred.

#### Foreclosed Real Estate

Foreclosed real estate is recorded at the lower of the carrying value of the related loan or the fair value of the real estate at the time of foreclosure, determined on the basis of appraisals and estimated selling costs.



**Earnings Per Common Share**

Earnings per common share are calculated based on the weighted average number of shares outstanding. The assumed exercise of stock options would have no material dilutive effect.

**Income Taxes**

The Corporation and its subsidiary file consolidated federal income tax returns. Certain items of income and expense are accounted for at different times for financial reporting purposes than for income tax purposes. Deferred taxes are not provided on such differences because of the availability of net operating loss carryforwards. Investment tax credits are reflected as a reduction of income tax expense in the year they are realized (flow-through method).

The Bank is required to maintain a portion of its cash and due from banks as a reserve balance under the Federal Reserve Act. Such reserve is calculated based upon deposit levels and amounted to \$3,547,666 and \$2,252,354 at December 31, 1983 and 1982, respectively.

**Note 2—Cash and Due From Banks**

The following is a comparison of the carrying value and approximate market value of investment securities (in thousands):

**Note 3—Investment Securities**

	December 31, 1983		1982	
	Book Value	Market Value	Book Value	Market Value
U. S. Treasury	\$32,431	\$32,269	\$ 9,514	\$ 9,706
GNMA and FHLMC	11,254	8,515	11,813	8,828
Other federal agencies and corporations	9,147	8,418	9,162	8,628
	52,832	49,202	30,489	27,162
State and municipal obligations:				
Commonwealth of Massachusetts	549	384	549	356
Other	970	727	1,062	773
	1,519	1,111	1,611	1,129
Other bonds and securities	1,672	1,450	3,967	3,604
Equity securities	1,869	1,666	—	—
	57,892	53,429	36,067	31,895
Valuation allowance on marketable equity securities (203)	(203)	—	—	—
	\$57,689	\$53,429	\$36,067	\$31,895

The valuation allowance on marketable equity securities is comprised of the following:

	December 31, 1983	1982
Gross unrealized losses	\$212,580	\$ —
Gross unrealized gains	(9,705)	—
	\$202,875	\$ —

Net realized gains (losses) on sales of investment securities, as included in non-interest income, are comprised of the following:

	December 31, 1983	1982	1981
Gross realized gains	\$104,554	\$226,238	\$ 21,140
Gross realized losses	—	(8,837)	(57,319)
	\$104,554	\$217,401	\$ (36,179)



A maturity distribution of the book value of the above securities, excluding equity securities, is as follows (in thousands):

December 31, 1983				
	U.S. Government, Federal Agencies and Corporations	State and Municipal Obligations	Other Bonds and Securities	Total
Within one year	\$ 4,511	\$ —	\$ 197	\$ 4,708
One to five years	34,523	258	872	35,653
Five to ten years	2,787	200	—	2,987
Beyond ten years	11,011	1,061	603	12,675
	\$52,832	\$ 1,519	\$ 1,672	\$56,023

December 31, 1982				
	U.S. Government, Federal Agencies and Corporations	State and Municipal Obligations	Other Bonds and Securities	Total
Within one year	\$ 1,988	\$ 100	\$ 768	\$ 2,856
One to five years	14,040	257	1,056	15,353
Five to ten years	2,946	200	2	3,148
Beyond ten years	11,515	1,054	2,141	14,710
	\$30,489	\$ 1,611	\$ 3,967	\$36,067

Investment securities with a carrying value of \$11,418,000 and \$7,680,000 at December 31, 1983 and 1982, respectively, were pledged to secure public funds, repurchase agreements, and for other purposes as required by law.

Obligations of the Government National Mortgage Association ("GNMA") and Federal Home Loan Mortgage Corporation ("FHLMC") listed above are "pass-through" certificates guaranteed by such agencies and secured by mortgage loans. Their final maturities range primarily from 18 to 30 years; however, principal reductions are made periodically as payments are received on the underlying loans.

#### te 4— Loans

The major components of loans were as follows:

	December 31, 1983	1982
Real estate:		
Construction	\$ 133,000	\$ 746,704
Mortgage	34,462,391	37,646,668
	34,595,391	38,393,372
Consumer	14,288,256	14,749,985
Commercial	34,412,483	23,989,852
	\$83,296,130	\$77,133,209

Commercial loans to borrowers engaged primarily in real estate development and management amounted to \$10,108,926 at December 31, 1983 (\$6,763,000 at December 31, 1982).

The outstanding recorded investment in non-earning and renegotiated rate loans was \$487,000 at December 31, 1983 and \$812,000 at December 31, 1982. Interest income which





ould have been recognized and income actually recorded on those loans was approximately \$53,000 and \$46,000, respectively, in 1983, and \$94,000 and \$57,000, respectively, in 1982.

Transactions in the reserve for possible loan losses during 1983, 1982 and 1981 are summarized as follows:

Years Ended December 31,	1983	1982	1981
Balance, January 1	\$1,074,186	\$1,046,577	\$1,336,482
Provision charged to operating expenses	—	—	125,000
	1,074,186	1,046,577	1,461,482
Loans charged off	(306,612)	(280,323)	(790,797)
Recoveries	458,901	307,932	375,892
Net recoveries (charge-offs)	152,289	27,609	(414,905)
Balance, December 31	\$1,226,475	\$1,074,186	\$1,046,577

#### Note 5— Reserve for Possible Loan Losses

As of December 31, 1983 and 1982, the Bank had an aggregate of \$9,790,000 and \$9,459,000, respectively, in loans and \$8,947,000, and \$503,000, respectively, in unused lines of credit and in commitments outstanding to directors of the Corporation and their interests. Such loans were made on substantially the same terms as those prevailing at the same time for comparable transactions with unrelated persons and did not involve more than the normal risk of collectability or present other unfavorable features. No material loans were outstanding to any principal stockholder or executive officer. An analysis of the activity for the year ended December 31, 1983 with respect to the above loans is as follows:

Balance December 31, 1982	\$9,459,000
New loans	3,712,000
Payments on loans	(3,381,000)
Balance December 31, 1983	\$9,790,000

#### Note 6— Transactions with Related Parties

During 1982, the Corporation granted each director the option to purchase 5,000 shares of its Common Stock at \$8.00 per share. The market price per share at the date of grant was approximately \$7.00. The options were originally exercisable at any time over the next ten years, but by agreement will now expire on July 13, 1985. Such options can be exercised only while the director continues to serve in that capacity. As of December 31, 1983 no options had been exercised. At that date there were options outstanding to purchase 10,000 shares.

As of December 31, 1982, the Bank held a 20% interest in a limited partnership which purchased the Bank's Harvard Square branch and three adjoining properties from a former affiliate of the Corporation. Two directors serve as the partnership's general partners and, together with an affiliate, held the remaining interest. In January 1983, the Bank sold its interest to one of those general partners and to its chairman, who is beneficially its principal shareholder, for its investment of \$108,000, plus interest accrued thereon at 16%. During December, 1983 the Bank and its chairman agreed to rescind that sale as to a 15% interest in the partnership and the amount paid by the chairman, net of an interim distribution proportionately to all partners, was returned to him. At December 31, 1983 and 1982, the Bank's investment in the partnership totalled \$19,500 and \$108,000, respectively, and is included in other assets in the accompanying consolidated financial statements.

The partnership is engaged in an extensive reconstruction of the property, and the Bank is presently renting the branch office under an interim lease agreement. Total rents paid by the Bank to the partnership amounted to \$93,000 in 1983 and \$76,200 in 1982. The Bank will negotiate a permanent lease upon completion of the reconstruction in 1984. The



interim agreement assures the Bank of long term lease terms as favorable as those offered to any other tenant and of a 10% discount from market rent for the first 2,000 square feet leased and a 5% discount for up to 2,000 additional square feet.

#### Note 7—Premises and equipment

Cost and accumulated depreciation and amortization were as follows:

	December 31,	1983	1982
Land	\$	451,662	\$ 451,662
Buildings		2,971,229	2,995,310
Furniture, fixtures and equipment		1,309,911	1,247,832
Leasehold Improvements		578,245	497,041
Premises and equipment under capital leases (Note 8)		729,554	729,554
		6,040,601	5,921,399
Less accumulated depreciation and amortization		(2,418,120)	(2,294,157)
	\$	3,622,481	\$ 3,627,242

Amounts charged to operating expense for depreciation and amortization of premises and equipment aggregated \$446,963 in 1983 and \$402,674 in 1982. The Bank has leases on premises and equipment expiring at various dates as described more fully in Note 8.

#### Note 8—Leases

Seven of the Bank's branch offices are located in leased premises. The lease of the Bank's Coolidge Square office, as well as a lease of certain data processing equipment, are accounted for as capital leases. Leases of the other branches and other data processing equipment are considered operating leases and will expire over the next 15 years, with the majority expiring within 3 years. All leases are entered into in the ordinary course of business and most include renewal options or options to purchase at fair value. Portions of leased and owned property are sublet to tenants under short-term operating leases.

The net carrying value of capitalized lease assets was \$33,239 at December 31, 1983 (\$109,306 at December 31, 1982) and amortization charged to depreciation expense amounted to \$76,000 in 1983 and \$150,000 in 1982 and 1981.

Future minimum lease payments under non-cancellable operating and capital leases at December 31, 1983 are as follows (in thousands):

Years Ending December 31,	1984	\$280
	1985	141
	1986	77
	1987	66
	1988	51
	Later years	130
		\$745

The following schedule shows the composition of total rental expense for all operating leases:

	Years Ended December 31,	1983	1982	1981
Rental expense		\$325,900	\$283,637	\$252,316
Rental income from subleases		(46,742)	(45,461)	(55,343)
		\$279,158	\$238,176	\$196,973

The Bank leases one of its branches from related parties as described more fully in Note 6.



Foreclosed real estate consists principally of parcels of undeveloped land. Transactions during 1983, 1982 and 1981 are summarized as follows:

Years Ended December 31,	1983	1982	1981
Balance, January 1	\$274,185	\$431,634	\$303,509
Additions	52,688	—	526,000
	326,873	431,634	829,509
Write-downs	(57,083)	(93,549)	(100,218)
Sales proceeds	(269,790)	(63,900)	(297,657)
Balance, December 31	\$ —	\$274,185	\$431,634

## Note 9—Foreclosed Real Estate

Time certificates of deposit in denominations of \$100,000 or more amounted to \$21,409,000 at December 31, 1983 and \$12,952,000 at December 31, 1982.

An analysis of interest expense on deposits for 1983, 1982 and 1981 is as follows:

Years Ended December 31,	1983	1982	1981
NOW account deposits	\$1,954,929	\$2,033,829	\$1,909,510
Super NOW account deposits	426,735	—	—
Money market account deposits	1,514,651	22,539	—
Savings deposits	653,856	790,139	827,142
Certificates of deposit of \$100,000 or more	1,662,967	1,596,938	1,612,178
Other time deposits	1,964,977	3,014,708	2,793,908
	\$8,178,115	\$7,458,153	\$7,142,738

## Note 10—Deposits

### Short-term

Short-term borrowings are comprised of securities sold under repurchase agreements (\$461,243 and \$168,433 at December 31, 1983 and 1982) and reverse repurchase agreements (\$6,093,750 at December 31, 1983) which represent, in substance, short-term borrowings secured by U.S. Government and agency securities. The Treasury tax and loan note account represents secured borrowings from the U.S. Treasury as a result of the Bank's position as an authorized note depository. Interest on these borrowings is charged at ¼% below the average Federal Funds rate prevailing during the applicable period.

Pertinent data relating to borrowed funds is shown below:

Years Ended December 31,	1983	1982
Securities sold under agreements to repurchase and reverse repurchase agreements:		
Maximum amount outstanding at any month end	\$6,554,993	\$1,806,000
Weighted daily average amount outstanding	\$ 554,901	\$1,164,486
Weighted daily average interest rate	9.16%	10.82%
Treasury tax and loan note account:		
Maximum amount outstanding at any month end	\$3,921,397	\$3,975,000
Weighted daily average amount outstanding	1,566,505	1,609,816
Weighted daily average interest rate	9.08%	12.45%

## Note 11—Borrowed Funds

### Long-term

\$2,100,000 of subordinated capital notes, each in the amount of \$100,000, originally issued by the Bank in 1975, matured during 1982. These notes bore an interest rate of 11% per annum, with interest payable quarterly.



**Note 12—Income Taxes**

Income taxes applicable to net income for the years 1983, 1982 and 1981 were as follows:

Years Ended December 31,	1983	1982	1981
Provision in lieu of federal income taxes	\$1,122,008	\$ 838,000	\$745,000
State income taxes	374,156	288,000	220,000
	<b>\$1,496,164</b>	<b>\$1,126,000</b>	<b>\$965,000</b>

The provision in lieu of federal income taxes represents the federal tax expense that the Corporation would have incurred had operating loss carryforwards not been available to offset such expense. The benefit realized upon the utilization of these carryforwards has been reported as an extraordinary item in the accompanying consolidated financial statements.

Income tax expense for the years ended December 31, 1983, 1982 and 1981 exceeded the normally expected U.S. Federal income tax expense (computed by multiplying income before taxes and extraordinary item by 46%) for the reasons shown below.

Years Ended December 31,	1983	1982	1981
"Expected" income tax expense	\$1,372,265	\$1,057,749	\$928,084
Increase (decrease) in "expected" income taxes:			
State taxes, net of federal income tax effect	202,000	156,000	118,800
Tax-exempt investment income	(58,135)	(68,068)	(62,550)
Other	(19,966)	(19,681)	(19,334)
Provision for income taxes	<b>\$1,496,164</b>	<b>\$1,126,000</b>	<b>\$965,000</b>

At December 31, 1983 the Corporation had a net operating loss carryforward of approximately \$370,000 for federal income tax purposes that expires in 1984. For financial reporting purposes, the remaining carryforward at December 31, 1983 totaled \$612,000. The amount of book and tax loss carryforwards differs because certain income and expense items are recognized in different periods for financial reporting purposes and income tax purposes.

At December 31, 1983 the Corporation had federal investment tax and other credit carryforwards approximating \$249,000 which expire at various dates through 1998.

**Note 13—Other Expenses**

Other expenses consist of the following:

Years Ended December 31,	1983	1982	1981
Advertising and promotion	\$ 220,819	\$ 256,588	\$ 412,990
Insurance and FDIC assessment	190,569	192,160	184,246
Bank examination and legal fees	180,871	435,803	273,383
Supplies	278,630	279,541	228,126
Postage	304,404	312,358	298,621
Data processing services	318,787	250,805	230,311
Telephone and telegraph	205,726	226,227	189,186
Miscellaneous	553,928	504,249	553,681
	<b>\$2,253,734</b>	<b>\$2,457,731</b>	<b>\$2,370,544</b>

**Note 14—Commitments and Contingencies**

The Bank's commitments on letters of credit amounted to \$468,000 at December 31, 1983 and \$1,000,000 at December 31, 1982. Such commitments are entered into in the normal course of business and no material losses are anticipated.

The Corporation and the Bank are subject to various legal claims which arise from time to time in the normal course of business. In the opinion of management, settlement of such claims will have no material effect on the Corporation's financial position.





On March 29, 1982, the shareholders voted to increase the number of authorized shares of the Corporation's \$3.00 par value Common Stock from 2,000,000 to 4,000,000 shares. They also approved the addition of 2,000,000 authorized shares of \$1.00 par value Preferred Stock, to be issued in series and having dividend and liquidation rights, redemption and conversion terms, and possible limited voting rights upon any default, as determined by the Board. These votes were ratified by the shareholders at a special meeting held on December 21, 1982.

In addition, the Corporation granted stock options to its directors during 1982 as discussed more fully in Note 6.

Condensed financial statements of the Corporation as of December 31, 1983 and 1982 and for the years ended December 31, 1983, 1982 and 1981 follow:

**First Coolidge Corporation  
Statements of Condition**

Years Ended December 31,	1983	1982
<b>Assets</b>		
Cash	\$ 62,820	\$ 58,911
Investment in subsidiary, at equity	13,134,447	10,728,293
<b>Total assets</b>	<b>\$13,197,267</b>	<b>\$10,787,204</b>
<b>Liabilities and Stockholders' Equity</b>		
Liabilities	\$ —	\$ —
Stockholders' equity		
Common stock, \$3.00 par value	\$ 5,254,490	\$ 5,253,488
Treasury stock (306 shares)	—	(1,908)
Surplus	6,822,732	6,821,733
Retained earnings (accumulated deficit)	1,322,920	(1,286,109)
Valuation allowance on marketable equity securities	(202,875)	—
<b>Total stockholders' equity</b>	<b>\$13,197,267</b>	<b>\$10,787,204</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$13,197,267</b>	<b>\$10,787,204</b>

**First Coolidge Corporation  
Statements of Income**

Years Ended December 31,	1983	1982	1981
Equity in net income of subsidiary before extraordinary item	\$1,487,021	\$1,173,455	\$1,052,573
Extraordinary item—reduction of income taxes arising from carryforward of prior years' operating losses	1,122,008	838,000	745,000
<b>Net income</b>	<b>\$2,609,029</b>	<b>\$2,011,455</b>	<b>\$1,797,573</b>

**Note 15—Capital Stock**

**Note 16—Condensed  
Parent Company  
Financial Information**



**First Coolidge Corporation**  
**Statements of Changes in Financial Position**

	Years Ended December 31,	1983	1982	1981
Financial resources were provided by:				
Proceeds from sale of common and treasury stock		\$ 3,909	\$ 1,980	\$ 30,000
		\$ 3,909	\$ 1,980	\$ 30,000
Financial resources were used for:				
Increase in cash		\$ 3,909	72	\$ 30,000
Purchase of treasury stock		—	1,908	—
		\$ 3,909	\$ 1,980	\$ 30,000

**Notes To First Coolidge Corporation Condensed Financial Statements**

The Corporation has no material contingencies, commitments or long-term obligations other than those disclosed elsewhere in the accompanying notes to consolidated financial statements. Neither the Corporation nor its subsidiary paid dividends during the years ended December 31, 1983, 1982 and 1981. The Bank has made no extensions of credit to the Corporation; however, extensions of credit of approximately \$2,630,000 could be made upon receipt of collateral as prescribed by law.



Peat, Marwick, Mitchell & Co.  
 Certified Public Accountants  
 One Boston Place  
 Boston, Massachusetts 02108  
 617-723-7700

**To the Board of Directors and Stockholders**  
**First Coolidge Corporation:**

We have examined the consolidated statement of condition of First Coolidge Corporation and subsidiary as of December 31, 1983 and the related consolidated statements of income, changes in stockholders' equity and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The consolidated financial statements of First Coolidge Corporation and subsidiary for the years ended December 31, 1982 and 1981 were examined by other auditors whose report dated February 28, 1983 expressed an unqualified opinion on those statements.

In our opinion, the 1983 financial statements referred to above present fairly the financial position of First Coolidge Corporation and subsidiary as of December 31, 1983 and the results of their operations and the changes in their financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceeding year.

January 30, 1984

*Peat, Marwick, Mitchell & Co.*



## Selected Financial Data

(Stated in thousands except for number of shares, per share amounts and percentages)

	Years Ended December 31,	1983	1982	1981	1980	1979
<b>Results of Operations:</b>						
Interest income	\$	17,454	\$ 17,051	\$ 16,488	\$ 14,616	\$ 12,571
Interest expense		8,407	7,939	7,958	6,733	5,300
<b>Net interest income</b>	<b>\$</b>	<b>9,047</b>	<b>\$ 9,112</b>	<b>\$ 8,530</b>	<b>\$ 7,883</b>	<b>\$ 7,271</b>
Provision for possible loan losses	\$	—	\$ —	\$ 125	\$ 540	\$ 1,695
Non-Interest income	\$	1,973	\$ 1,372	\$ 1,207	\$ 1,279	\$ 981
Other expenses	\$	8,036	\$ 8,184	\$ 7,594	\$ 6,891	\$ 6,387
Income before extraordinary item	\$	1,487	\$ 1,173	\$ 1,053	\$ 898	\$ 134
<b>Net income</b>	<b>\$</b>	<b>2,609</b>	<b>\$ 2,011</b>	<b>\$ 1,798</b>	<b>\$ 1,519</b>	<b>\$ 134</b>
<b>Assets, liabilities, and stockholders' equity:</b>						
Average total assets	\$	166,188	\$ 142,272	\$ 137,321	\$ 139,620	\$ 134,421
Average earning assets	\$	151,200	\$ 128,392	\$ 123,781	\$ 126,242	\$ 121,391
Average total deposits	\$	150,004	\$ 127,040	\$ 121,947	\$ 126,854	\$ 124,468
Average interest-bearing liabilities	\$	120,275	\$ 101,081	\$ 97,060	\$ 99,894	\$ 96,760
Average long-term obligations	\$	161	\$ 1,114	\$ 2,666	\$ 2,731	\$ 2,671
<b>Stockholders' equity:</b>						
Year-end	\$	13,197	\$ 10,787	\$ 8,776	\$ 6,948	\$ 5,399
Average (A)	\$	12,015	\$ 9,732	\$ 7,757	\$ 6,036	\$ 4,900
<b>Per share items:</b>						
Income before extraordinary item	\$	.85	\$ .67	\$ .60	\$ .51	\$ .09
Net income	\$	1.49	\$ 1.15	\$ 1.03	\$ .87	\$ .09
Dividends declared	\$	—	\$ —	\$ —	\$ —	\$ —
Stockholders' equity at year-end (A)	\$	7.54	\$ 6.16	\$ 5.01	\$ 3.99	\$ 3.10
<b>Shares Outstanding:</b>						
Year-end		1,751,497	1,751,163	1,750,833	1,744,833	1,738,833
Average		1,749,909	1,751,081	1,747,347	1,741,849	1,570,915
<b>Operating ratios:</b>						
Return on average equity (B)		21.71%	20.66%	23.18%	25.17%	2.73%
Return on average assets (B)		1.57%	1.41%	1.31%	1.09%	.10%
Average equity to average assets		7.23%	6.84%	5.65%	4.32%	3.65%
Average yield on earning assets		11.54%	13.28%	13.32%	11.58%	10.36%
Net interest yield on earning assets		5.98%	7.10%	6.89%	6.24%	5.99%

### Notes

(A) In April and June, 1979, the Corporation sold additional capital stock for cash in the amount of \$1,823,000.

(B) The ratios for 1980 through 1983 include the effect of the extraordinary credit arising from utilization of net operating loss carryforwards.



## SELECTED QUARTERLY FINANCIAL DATA (Unaudited)

The following summarizes selected quarterly financial data for the years ended December 31, 1983 and 1982, in thousands except for per share data:

	1983			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Interest income	\$ 4,149	\$ 4,010	\$ 4,305	\$ 4,990
Net interest income	\$ 2,251	\$ 2,218	\$ 2,319	\$ 2,259
Income before extraordinary item	\$ 350	\$ 403	\$ 390	\$ 344
Net income	\$ 600	\$ 660	\$ 752	\$ 597
Per share data:				
Income before extraordinary item	\$ .20	\$ .23	\$ .22	\$ .20
Net income	\$ .34	\$ .38	\$ .43	\$ .34
	1982			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Interest income	\$ 4,254	\$ 4,423	\$ 4,251	\$ 4,123
Net interest income	\$ 2,151	\$ 2,297	\$ 2,301	\$ 2,363
Income before extraordinary item	\$ 205	\$ 403	\$ 414	\$ 151
Net income	\$ 321	\$ 688	\$ 711	\$ 291
Per share data:				
Income before extraordinary item	\$ .12	\$ .23	\$ .24	\$ .08
Net income	\$ .18	\$ .39	\$ .41	\$ .17





## Management's Discussion and Analysis of Financial Condition and Results of Operations

1983 was marked by a general decline in interest rates, relatively stable unemployment and an increase in loan demand during the fourth quarter. The Bank was able to post record earnings for the third year in a row with net income rising 29.7% over 1982's level. While a number of factors contributed to these results, among the most significant were the Bank's ability to maintain an adequate reserve for possible loan losses without charging operations, the availability of operating loss carryforwards to offset federal tax expense and an increase in the amount of non-interest income, primarily in the area of service charges.

Equity capital has increased by 144% over the past five years. This has been achieved through the issuance of common stock in 1979, supplemented by five consecutive years of increased earnings through 1983. The Bank's elimination of \$2,100,000 of secondary capital, in the form of the redemption of capital notes during 1982, was replaced almost entirely by 1982's addition to retained earnings.

The Bank has kept itself in a highly liquid position with cash and short-term investments representing 28.8% and 22.6% of total assets at December 31, 1983 and 1982, respectively. In addition, a substantial portion of the Bank's loan portfolio is either payable on demand or provides regular monthly principal payments. Also, the Bank's investment security portfolio is comprised of securities for which there exists a ready market. The Bank's policy regarding liquidity has allowed it to loan funds to major banks at relatively favorable rates during periods of low commercial loan demand while that portfolio is being expanded under prudent credit guidelines. Much of the Bank's business development effort has been focused on shifting short-term investments to the commercial loan portfolio. In addition, in early 1984 the Bank plans to expand its management team to allow it to pursue more actively the field of construction financing and is anticipating controlled growth in that part of its portfolio. The Bank will continue to maintain a high degree of liquidity, often times in excess of its peers, while the economic recovery continues and its loan portfolio expands at a controlled rate. It is anticipated that the results of operations will be sufficient to fund planned fixed asset expenditures.

With regard to the potential impact of inflation, a major objective of the Bank in both its lending and its deposit arrangements is to provide for interest rate sensitivity. Loans are normally closed with terms of 3 years or less with variable or adjustable rate features. Long term deposits are, in many cases, matched with investments of like amounts and maturities. The Bank structures its fees for services to at least recoup the current cost of providing the related services. The Bank is and will be subject to price level increases which would adversely impact its personnel costs, certain occupancy expenses and a number of other operating expenses. The Bank's investment securities portfolio contains a number of securities purchased when interest rates were lower. It is the Bank's intention to hold such securities until maturity except where more favorable opportunities arise to increase yields significantly without incurring unacceptable losses upon sale.

The foregoing discussion is intended only to highlight some steps that the Bank has taken to position itself to cope with the potential of increased inflation. In periods of inflation monetary assets such as cash and fixed claims to cash lose in terms of general purchasing power while monetary liabilities such as deposits and other funds borrowed gain under the same circumstances. This principle has significant implications for any bank, since its assets and liabilities are almost all monetary in nature. A bank funds monetary asset growth by simultaneously incurring monetary liabilities. Interest rates are adjusted to maintain interest margins sufficient to compensate for risk, to mitigate inflationary pressures and to increase capital consistent with the expansion of the bank's business.

Net income has increased steadily from 1981 to 1983. The 1983 increase is attributable primarily to an increase in non-interest income of \$601,187 combined with a decline in non-interest expense of \$147,797. Net income for all three periods was significantly affected by extraordinary credits of \$1,122,008, \$838,000 and \$745,000, respectively, arising from the utilization of operating loss carryforwards. As of December 31, 1983 the Corporation had a remaining net operating tax loss carryforward of \$612,000 for financial reporting purposes (see Note 12 to the consolidated financial statements for available carryforwards and their



expiration). It is anticipated that this carryforward and certain other carryforwards will be fully utilized during 1984.

Interest income increased by 3.4% from 1981 to 1982 and by 2.4% from 1982 to 1983. The increase of \$562,128 in interest income from 1981 to 1982 is primarily due to increases in loan income of 8.7% and income on investment securities of 28.2% contrasted with a decrease in "other interest income, principally from banks" of 25.0%. The increase in loan income resulted from a 2.4% increase in loans and higher interest rates during the first half of 1982. Mortgage loans decreased by 0.9% from 1981 to 1982, consumer and commercial loans increased by 6.3% and investment securities increased by 16.5% during the same period. (Except as indicated, all asset and deposit figures used represent average daily balances). The increase of \$403,144 in interest income from 1982 to 1983 was due primarily to a 29.7% increase in income on investment securities combined with a 4.1% increase in "other interest income, principally from banks". The balances in these two categories increased by 35.1% and 47.2%, respectively, from 1982 to 1983. In contrast, interest income on loans declined by 5.7% due to lower interest rates which offset a 2.3% increase in net loans from 1982 to 1983. During that period commercial loans increased by 29.8% while consumer and mortgage loans decreased by 4.3% and 9.1%, respectively.

Interest cost decreased by 0.2% from 1981 to 1982 and increased by 5.9% from 1982 to 1983. The decrease during 1982 is primarily a result of the general decline in interest rate levels during that period. The increase during 1983 is the result of the 18.3% increase in total deposits during the year, the majority of which took place during the fourth quarter, which more than offset a decline in the cost of funds.

Net interest income, the difference between interest earned by the Bank and the Bank's interest cost, increased by 6.8% from 1981 to 1982 and decreased by 0.7% from 1982 to 1983. The continuing deregulation of interest rates on deposits, the increase in higher-cost time deposits and the focus on short term investments all contributed to the decline in this margin as compared to 1982.

The Bank's provision for possible loan losses decreased from \$125,000 in 1981 to zero in both 1982 and 1983 due primarily to the continuing high quality of the loans in the portfolio. Management considers various factors in determining the adequacy of the reserve for possible loan losses; its own review of the loan portfolio; the results of periodic examinations by regulatory authorities; actual loan loss experience (in both 1982 and 1983 recoveries on previously charged-off loans exceeded charge-offs); the extent of identified risks in the loan portfolio; the existing level of the loan loss reserve; and management's evaluation of prevailing economic conditions. In the opinion of management, this process yields a reserve that, taken as a whole, is adequate to absorb reasonably foreseeable loan losses.

Non interest income increased by 13.7% from 1981 to 1982 and by 43.8% from 1982 to 1983. The increase from 1981 to 1982 represents a decline of 13.7% in service charges which was offset by gains on securities transactions of \$217,401 in 1982 as opposed to losses of \$36,179 in 1981. The increase in 1983 is due primarily to an increase of 80.5% in the combined total of service charges on deposit accounts and other service charges. Service charges on NOW accounts were reinstituted and other service charges were increased at various times during 1983.

Other expenses increased by 7.8% from 1981 to 1982 but decreased by 1.8% from 1982 to 1983. The increase from 1981 to 1982 occurred primarily in salaries and employee benefits which increased by 14.3% due in part to changes in the make up of the Bank's staff and an increase in other expenses related to professional services of 3.7%.

The decrease from 1982 and 1983 is primarily the result of lower bank examination, audit and legal fees of 58.5% combined with a 13.9% decrease in advertising and promotional expenses which served to offset a 27.1% increase in data processing costs and a 9.8% increase in miscellaneous expenses.





# Coolidge Bank and Trust Company

## **First Coolidge Corporation**

### **PRINCIPAL OFFICE**

65 Main Street

Watertown, Massachusetts 02172

Telephone 926-7000

## **Coolidge Bank and Trust Company Banking Offices**

### **MAIN OFFICE**

65 Main Street

Watertown Square

Watertown, Massachusetts 02172

Albert E. Hamway, Manager

Telephone 926-7000

### **ALLSTON-BRIGHTON OFFICE**

1079 Commonwealth Avenue

Boston, Massachusetts 02245

Amelia Hoffman, Manager

Telephone 787-2433

Opening in April

### **ARLINGTON OFFICE**

135 Massachusetts Avenue

Arlington, Massachusetts 02174

Robert A. Bennett, Manager

Cerald A. Bartholomew, Assistant

Manager

Telephone 833-7000

### **BEDFORD OFFICE**

201 E. Great Road

Bedford, Massachusetts 01730

Garen G. Bonacci, Manager

Telephone 275-4350

### **COOLIDGE SQUARE OFFICE**

385 Mount Auburn Street

Watertown, Massachusetts 02172

Susan L. Dymond, Manager

Telephone 926-1239

### **EVERETT SQUARE OFFICE**

19 Norwood Street

Everett, Massachusetts 02149

George Christopoulos, Manager

Telephone 389-7777

### **FRESH POND SHOPPING CENTER OFFICE**

176 Alewife Brook Parkway

Cambridge, Massachusetts 02138

Mitchell Hardard, Manager

Telephone 354-3900

### **HARVARD SQUARE OFFICE**

17101 Square

Cambridge, Massachusetts 02138

Michael J. D'Amore, Manager

Telephone 354-3666

### **KENDALL SQUARE OFFICE**

Badger Building

181 Main Street

Cambridge, Massachusetts 02139

Ronald D. Keirstead, Manager

Telephone 354-1036

### **LEXINGTON OFFICE**

171 Massachusetts Avenue

Lexington, Massachusetts 02173

William D. Wood, Manager

Telephone 861-0600

### **COOLIDGE BANK**

Main Office Annex

65 Main Street

Watertown, Massachusetts 02172



SECTION F

EVIDENCE OF MEETING PROGRAM OBJECTIVES





A. PERMANENT JOBS PROJECTION (excluding construction jobs)1/ FULL-TIME  
JOBS (a)2/ PART-TIME  
JOBS (b)

1. Number of jobs projected for Action Grant site after completion of project:

310 (1a)           (1b)Source (check box and enter figure if appropriate)☐ Industry standard  
jobs/per square foot:             
jobs/per \$ sales:           ☐ Local industry statistics☒ Developer/tenant estimates☐ Other (explain w/attachments)

2. Number of jobs currently at Action Grant site:

50 (2a)           (2b)Source (check box)☒ Employer records☐ Local industry statistics☐ Other (explain)

3. Number of existing jobs projected to be transferred to Action Grant site:

0 (3a)           (3b)Source (check box)☒ Employer records/estimates☐ Industry standards☐ Local industry statistics☐ Other (explain)

1/ A Full-Time Job is equal to one person working 40 hours per week, or two or more part-time people whose combined working hours per week are equal to 40 hours. If the full time standard work week is less than 40 hours that figure may be substituted for 40 hours in the calculation.

2/ A Part-Time Job is defined as one which is less than the jurisdiction's standard work week which may vary from 37-40 hours per week.



PERMANENT JOBS PROJECTION (Continued)

	<u>FULL-TIME JOBS (a)</u>	<u>PART-TIME JOBS (b)</u>
4. Net totals (line 1 - line 2 - line 3)	<u>260</u> (4a)	<u>          </u> (4b)
5. Net jobs (4a + 1/2 4b)	<u>260</u> (5)	

3. PERMANENT JOB CHARACTERISTICS

Enter the % and number of NET JOBS (line 5 from previous page) which will fall in each of the categories described below.

5. NET JOBS (line 5) projected to be filled by CETA-eligible* people:	<u>25</u> % <u>65</u> jobs
7. NET JOBS (line 5) projected to be filled by low- and moderate-income persons (defined by HUD Section 8 income limits.)	<u>60</u> % <u>156</u> jobs
6. NET JOBS (line 5) projected to be filled by minority people:	<u>30</u> % <u>78</u> jobs
9. SMSA Minority % of population in the 1980 Census:	<u>10</u> %
0. Net Jobs to be provided by companies which would have gone out of business, <u>but for</u> the Action Grant. (Signed statements to that effect may be required from company officers.)	<u>0</u> jobs

\*CETA - Eligible Jobs filled by individuals who are either (a) participating in a program similar to the former CETA (Comprehensive Employment and Training Act) program, or (b) were referred to the employer by CETA officials, or (c) are economically disadvantaged, unemployed, underemployed or in school, according to the regulations of the former CETA program.



C. ANNUAL CONSTRUCTION JOB PROJECTION

EUL keeps track of the number of construction jobs UDAG projects generate since they help alleviate distress. The form below estimates construction jobs to be created by Action Grant projects.

11. Total estimated construction cost of Action Grant project  
(from UDAG FCRM 3a, lines c + d + e + f + g): \$ 9,476,000
12. % of construction cost attributable to labor: 50 %
- Source (check one box)
- |                                     |                             |                          |                      |
|-------------------------------------|-----------------------------|--------------------------|----------------------|
| <input type="checkbox"/>            | Contractor's estimate       | <input type="checkbox"/> | developer's estimate |
| <input checked="" type="checkbox"/> | local industry statistic    | <input type="checkbox"/> | other (explain)      |
| <input type="checkbox"/>            | national industry standards |                          |                      |
13. Labor cost of construction (line 12 x line 13): \$ 4,738,000
14. Average annual construction salary and fringe benefits: \$ 25,000
- Source (check one box)
- |                                     |                           |                          |                      |
|-------------------------------------|---------------------------|--------------------------|----------------------|
| <input type="checkbox"/>            | Contractor's estimate     | <input type="checkbox"/> | developer's estimate |
| <input checked="" type="checkbox"/> | local industry statistics | <input type="checkbox"/> | other (explain)      |
15. Projected total Construction Jobs. (Divide line 13 by line 14) 190



	Amount
1. Expected revenues from special assessments and special tax districts that will result from this project	\$ - 0 -
2. Tax bill in current year for project parcel(s) as presently developed -	\$ 193,126.50
3. TOTAL: Change in property tax revenues paid to local government (e - f + g + h - i)	\$ 262,873.50
<u>Section 2 Other Taxes: Changes in other tax revenues levied by or returned by formula to applicant jurisdiction as a result of this UDAG project. Exclude all Federal taxes</u>	
1. Sales tax generated by new businesses and levied by or returned by formula to applicant jurisdiction	\$ - 0 -
2. Change in sales tax generated by businesses moving to or from UDAG project site or expanding at the site; indicate "+" or "-"	\$ - 0 -
3. Net changes in sales tax levied by or returned by formula to applicant jurisdiction (a+b)	\$ - 0 -
4. Net change due to UDAG project in business income taxes levied by or returned by formula to applicant jurisdiction	\$ - 0 -
5. Average net change in personal property taxes (over a 20 year period) levied by or returned by formula to applicant jurisdiction	\$ - 0 -
6. Net change in hotel inventory, business franchise and mercantile taxes levied by or returned by formula to applicant jurisdiction	\$ - 0 -





Change in other taxes, excluding  
fees for service (e.g. permit fees)

\$ - 0 -

Nature of tax

\$ - 0 -

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Total other taxes (2c + 2d + 2e + 2f + 2g)

\$ - 0 -

Section 3 TOTAL: Net change in tax revenues of applicant jurisdiction due to UDAG  
project (1j + 2h)

TOTAL:

\$ 262,873.50

Certification

I hereby certify that this form accurately reflects the likely fiscal impact  
the proposed project.

\_\_\_\_\_  
Chief Tax Assessor or Chief Fiscal Officer



PART III  
Assurances



### PART III

#### ASSURANCES

The Applicant hereby assures and certifies that:

1. Prior to submission of its application, it has met the citizen participation requirements of Section 570.454(a) and has made the impact analysis required by Section 570.454(b).
2. The private development would not occur unless the public funding on which the development is based becomes available, in the opinion of the chief executive officer.
3. The action grant funds will not substitute for local public funds which are available for the project described in the action grant application.
4. It possesses legal authority to apply for the grant and to execute the proposed program.
5. Its governing body has duly adopted or passed as an official act, a resolution, motion or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
6. Its chief executive officer or other officer of the applicant approved by HUD:
  - (A) Consents to assume the status of a responsible Federal official for environmental review, decision making and action pursuant to the National Environmental Policy Act of 1969, and the other authorities listed in 24 CFR 58.1(a)(3) insofar as the provisions of such Act or other authorities apply to this part;
  - (B) Is authorized and consents on behalf of the applicant and himself/herself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his/her responsibilities as such official.
7. It will comply with the requirements for historic preservation identification and review set forth in Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Archeological and Historic Preservation Act of 1974 (16 U.S.C. 469a, et seq.), regulations of the Advisory Council on Historic Preservation at 36 CFR 801, and any other regulations promulgated pursuant to Section 121 of the Housing and Community Development Act of 1974, as amended.



8. It has identified all properties, if any, which are included on the National Register of Historic Places and which as determined by the applicant, will be affected by the project; it has identified all other properties, if any, which will be affected by the project and which, as determined by the applicant, may meet the criteria established by the Secretary of Interior for inclusion in the Register, together with the documentation relating to the inclusion of such properties on the Register; and it has determined the effect as determined by the applicant, of the project on the identified properties.
9. It will comply with:
- (A) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), and implementing regulations issued at (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance and will immediately take measures necessary to effectuate this assurance.
  - (B) Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing.
  - (C) Section 109 of the Housing and Community Development Act of 1974, as amended; and the regulations issued pursuant thereto (24 CFR 570.601), which provide that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under 24 CFR Part 570.
  - (D) Section 3 of the Housing and Urban Development Act of 1968 as amended, and implementing regulations at 24 CFR Part 135, requiring that to the greatest extent feasible, opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.





- (E) Executive Order 11246, as amended by Executive Orders 11375 and 12086 and implementing regulations issued at 41 CFR Chapter 60, which provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of Federal or federally assisted construction contracts.
- (F) Executive Order 11063, and implementing regulations at 24 CFR Part 107, on equal opportunity in housing and non-discrimination on the sale or rental of housing built with Federal assistance.
- (G) Section 504 of the Rehabilitation Act of 1973, as amended, (Pub. L. 93-112) and implementing regulations when published for effect. Section 504 provides that no qualified handicapped person shall, on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from Federal financial assistance.
- (H) The Age Discrimination Act of 1975, as amended, (Pub. L. 94-135) and implementing regulations (when published for effect);
- (I) The relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, implementing regulations at 24 CFR Part 42, and the special provisions of Section 570.457 concerning the relocation of residential tenants not covered by the Uniform Act;
- (J) The labor standards requirements as set forth in Section 570.605 and HUD regulations issued to implement such requirements;
- (K) The flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, (Pub. L. 93-234);
- (L) The regulations, policies, guidelines and requirements of OMB Circular Nos. A-102, Revised and A-87 as they relate to the acceptance and use of Federal funds under this Part;
- (M) All requirements imposed by HUD concerning special requirements of law, program requirements and other administrative requirements approved in accordance with OMB Circular No. A-102, Revised.

- 10. It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- 11. It will comply with the provisions of the Hatch Act which limits the political activity of employees.



12. It will give HUD and the Comptroller General through any authorized representatives, access to and the right to examine all records, books papers, or documents related to the grant.
13. It will insure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify HUD of the receipt of any communication from the Director of EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
14. It will not, in carrying out the project, discriminate against any employee because of race, color, religion, sex, handicap, or national origin. It will take affirmative action to insure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The applicant shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by HUD setting forth the provisions of this non-discrimination clause. The applicant will in all solicitations or advertisements for employees placed by or on behalf of the applicant state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, handicap or national origin. The applicant will incorporate the foregoing requirements of this paragraph in all of its contracts for project work, except contracts for standard commercial supplies or raw materials or contracts covered under 24 CFR Part 570 subsection (c)(14)(ix)(E), and will require all of its contracts for such work to incorporate such requirements in all subcontracts for work done with funds provided under 24 CFR Part 570.
15. It certifies that it has not knowingly and willfully made or used a document or writing containing any false, fictitious, or fraudulent statement or entry. 18 U.S.C. 1001 provides that whoever does so within the jurisdiction of any department or agency of the United States shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

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Signature

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Date

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Title



## EMPLOYMENT COMMITMENT LANGUAGE FOR

### UDAG APPLICATION EMPLOYMENT PLANS

#### Construction Jobs

(The Developer) shall comply with, and cause its contractors and subcontractors to comply with, the Boston Resident Jobs Policy, a city ordinance dated October 14, 1983, (Attachment \_\_\_\_\_). This ordinance requires in part, the hiring of 50% Boston residents, 25% minorities, and 10% females on all city assisted construction projects.

#### Minority Business Participation

(The Developer) shall comply with, and cause its contractors and subcontractors to comply with, Boston's Minority Business Policy, as established by mayoral executive order, July 1, 1978, (Attachment \_\_\_\_\_). This order requires, in part, a minimum of 10% minority business participation in any city contracting activity.

#### Permanent Jobs

(The Developer) shall comply with, and cause its tenants to comply with, Boston's Permanent Jobs Policy as described in the attached Permanent Jobs Monitoring Plan, Employment Initiative Agreement, and related materials (Attachments \_\_\_\_\_). (The Developer) commits itself to create the number and type of permanent jobs specified in \_\_\_\_\_ of the Grant Application and the Employment Initiative Agreement, and to make use of the Boston Job Exchange as specified in the Employment Initiative Agreement.



## EMPLOYMENT INITIATIVE AGREEMENT

Whereas, Theatre Hotel Associates Realty Trust (Hotel Associates), the Boston Redevelopment Authority (BRA), and the City of Boston Neighborhood Development and Employment Agency (NDEA) have entered into an agreement for the development of 275 Tremont St.; and

Whereas, public funds including \$3,000,000 of UDAG monies are being used for costs associated with the renovation of the Bradford Hotel which will result in an estimated 200 new and 50 retained permanent jobs; and

Whereas, it is the policy of the City of Boston to require publicly assisted developments to give preference to Boston residents with special consideration to low to moderate income persons, minorities, and women for employment and training opportunities,

Now therefore, the parties to this Agreement hereby agree to the following responsibilities and procedures for implementing this Agreement.

1. NDEA shall serve as the lead agency contact for Hotel Associates and its tenants throughout the implementation of this agreement, cooperating when appropriate with other local organizations on the referral of local residents to job opportunities. Direct assistance to Hotel Associates and its tenants shall be provided by NDEA through the Boston Job Exchange (BJX), an affiliate of NDEA and the Boston Private Industry Council (PIC), or any successor agency that may be designated by the City.
2. Hotel Associates shall notify, and require its tenants to notify, the Boston Job Exchange of all job vacancies and new employment positions, and allow the Boston Job Exchange at least 10 working days to refer applicants it believes will be qualified for those positions, before Hotel Associates and its tenants seek applicants from other sources.
3. Upon notice of a job vacancy or new position, the BJX shall notify Hotel Associates and its tenants of persons it believes may be qualified for the positions in question and make arrangements for those persons to be interviewed by the company. In the event that the BJX feels that it will not be able to refer a qualified candidate within ten days, it shall so inform Hotel Associates and its tenants and thereby waive the normal 10 day waiting period.





4. Hotel Associates and its tenants shall designate an individual to work with the BJX to further this agreement.
5. This agreement shall apply to all job openings whether full-time, part-time or seasonal.
6. In order to maintain compliance with this agreement Hotel Associates recognizes the following goals for new permanent job hiring:

- .Boston resident employees - 50%
- .Minority employees - 30%
- .Female employees - 50%
- .Low -Mod Income Persons - 60%
- .Economically disadvantaged

The definitions of the foregoing categories are attached hereto and incorporated by reference herein.

7. Consistent with the needs of City and Federal reporting requirements, Hotel Associates and its tenants shall submit to the NDEA Compliance office quarterly hiring and workforce reports on the 10th working day following each quarter, detailing the number of new employees, the number of Boston residents, minorities, females, and low-mod. income persons, and the name of BJX referrals that were hired.
8. Hotel Associates shall use its best efforts to rent to tenants who will strive to meet the hiring goals and abide by the other provisions of this agreement. Efforts to encourage tenant cooperation shall include, but not be limited to, the inclusion of these provisions in all tenant leases.
9. This agreement shall remain in effect for as long as the loan is outstanding.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as a sealed instrument by their respective duly authorized representatives, as of the day and year first set forth below.

Boston Redevelopment Authority

Neighborhood Development  
and Employment Agency

Theater Hotel Associates  
Realty Trust

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
DATE 1/9/84



PERMANENT JOBS EMPLOYMENT  
REPORTING INSTRUCTIONS

I. Definitions:

1. "Permanent Jobs": Jobs that are expected to exist for at least two years beyond the completion of the project. One permanent job is equal to one person working 40 hours per week or two or more part-time people whose combined working hours per week equal 40 hours. If the full time standard work week is less than 40 hours (e.g. 37 hours per week) that figure may be substituted for 40 hours in the calculation.
2. "New Permanent Jobs": Permanent jobs created by the project. This does not include jobs transferred from another location within Boston.
3. "Retained Jobs": Jobs in existence prior to the start of the project, which are dependent upon the project for continued existence.
4. "Job Openings": Total number of job openings that exist at any time during a reporting period.
5. "New Job Hires": Total number of job openings filled during a reporting period.
6. "Boston Resident": Person who resides within one of the following Boston neighborhoods; Allston-Brighton, Back Bay, Charlestown, Dorchester, Downtown, East Boston, Fenway, Hyde Park, Jamaica Plain, Mattapan, Mission Hill, Roslindale, Roxbury, So. End, So. Boston or West Roxbury.
7. "Minority":
  - 1) Black: individual having origins in any black racial group of Africa, but not Hispanic.
  - 2) Hispanic: Person of Mexican, Puerto Rican, Cuban, Central or S. American origin
  - 3) Other Minorities: American Indians, Alaskan Natives, Asian or Pacific Islanders, Cape Verdeans



8. "Low-Mod Income"\*: Person who prior to employment had an income not exceeding the applicable income limit for eligibility for assistance. Where family size is not known use income limit for family of four persons. Where prior income is not known use current income.
  9. "Economically Disadvantaged"\*: Individuals who are participants in a program similar to former CETA funded programs (JTPA), who were referred by a JTPA official (i.e. Boston Job Exchange), or who met the JTPA eligibility guidelines prior to employment.
- \* See attached appendix for further definition of both economic categories.

## II. Procedures for Reporting

### A. Source Documentation:

In order to determine that an employer covered by an employment agreement has sufficient source documentation to substantiate the employment data being reported, it is necessary for each employer to document a system for tracking and monitoring the various components of the employment agreement. The suggested Work Sheet, or another similar form, may be used to record each new hire. The suggested format is a simple checklist with a column heading for each of the designated employment categories (i.e. Boston resident; minority, low-mod. income, etc.) to be checked where appropriate for each new permanent job hire. This source documentation will be maintained by the employer and used to prepare the quarterly employment report (attached) to be submitted to the NDEA Compliance Office.

### B. Employment Categories Reported:

The specific employment categories to be reported will depend on the goals negotiated and contained within the Employment Agreement only.

### C. Submission of Employment Report:

The Quarterly Employment Report is to be submitted to the designated Project Manager and to the City's Compliance Office each quarter (every 3 months) by the tenth working day following the last day of the quarter.



Example: Quarter Reported: Jan 1st-March 31st  
Due: April 15th

D. Monitoring:

Since the source documentation will not be submitted to the City, a representative from the City will periodically monitor this information maintained by the employer to ensure that adequate systems are in place to support the reported statistics.





## PERMANENT JOBS MONITORING PLAN

### Operational Procedures

The procedures outlined are presented in sequential order and are consistent with HUD requirements and the program goals of the City of Boston.

All job openings expected to be created at any city assisted project will be incorporated into an Employment Initiative Agreement. This agreement will be negotiated and signed by the Boston Neighborhood Development and Employment Agency (NDEA), the Awarding Authority (if not NDEA), and the Developer/Employer requesting city assistance. The agreement will become an attachment to the project proposal or application, thereby making it legally binding on any subsequent contracts.

The Employment Initiative Agreement (attachment A) contains (1) the total number of new permanent jobs expected to be created as a result of the city assisted construction project, (2) the total number of permanent jobs retained as a result of the project, (3) provisions for the Developer/Employer and any of its tenants to use the Boston Job Exchange (BJX) for job referrals 10 days prior to any other public advertising, (4) specific employment goals for filling the permanent job openings, and (5) the quarterly employment reporting requirements. Attached to the Employment Initiative Agreement is a suggested worksheet (attachment B) to be used by the employer as source documentation containing definitions (attachment C) for reporting the various employment categories (i.e. "minorities", "low-mod. income", "economically disadvantaged" etc.) and two standardized Permanent Jobs Employment Reports to be submitted each quarter to the City (attachments D1,D2).

#### A. Establishing Permanent Job Employment Goals:

The specific permanent job employment goals will be negotiated between the Awarding Authority and the project Developer/Employer. Based on a labor market analysis recently conducted by the NDEA Program Development and Planning Division, the following have been suggested as citywide target goals for all new permanent job agreements; 50% Boston residents, 50% females, 30% minorities. Adjustments and additions (i.e. % local area residents, % handicapped, % trainees, etc.) to the target goals may also be negotiated depending on the type of projected jobs and the location of the project. A formula for estimating the total number of new permanent jobs created will also be developed as part of the overall Employment Plan.



#### B. NDEA Program Development Planning Review:

The negotiated Employment Plan will be contingent upon final review by NDEA to ensure that the Plan is feasible and consistent in meeting the needs of the residents of Boston.

1) The Employment Plan will be submitted by the designated Project Manager to the NDEA Program Development and Planning Division for review. The review process will be limited to 10 working days from the date of receipt.

2) Any suggestions or comments relating to the submitted Plan will be forwarded to the Director of NDEA. Final negotiations will take place between the Director of NDEA, the Awarding Authority, and the Project Developer/Employer.

3) The final Employment Initiative Agreement will be signed by the above mentioned parties.

#### C. Pre-Employment Conference:

Approximately six weeks prior to the estimated completion date of construction, the NDEA Compliance Division will initiate a Pre-Employment Conference for the purpose of discussing and reiterating the specifics of the Employment Plan. In attendance at this Pre-Employment Conference will be the Project Manager, the Permanent Jobs Compliance Monitor, a representative from the Boston Job Exchange, and the employer.

#### D. Boston Job Exchange: (BJX)

1) A subsequent meeting will be conducted between a member of the BJX and the employer to discuss the procedures for early referral of BJX candidates. All new jobs will be posted with the Boston Job Exchange. In the event that the BJX will be unable to refer a qualified candidate within 10 days, the employer will be notified and will be free to use other referral sources in order to meet the employment goals.

2) The BJX will submit to the NDEA Compliance Unit the names and descriptions of BJX referrals hired by each project covered by an Employment Initiative Plan. This report will be submitted within 10 working days following each quarter. The BJX report will be compared with the quarterly Permanent Job Employment Report submitted by each employer to the Compliance Division.



E. Monitoring Employment Initiative Plans:

1) The Compliance Division of NDEA will have the responsibility for maintaining an oversight monitoring function for all Permanent Job Employment Plans. A copy of all Employment Agreements will be on file with the Compliance Division.

2) Each Employer covered by an Employment Initiative Agreement will be required to submit a standardized quarterly Employment Report (attachment D1, D2) outlining its progress in meeting the established employment goals. The report will be submitted within 10 working days following the quarter and will be sent to the designated Project Manager and the NDEA Compliance Division.

3) The Compliance Division will compile the reported data (BJX and Employer reports) and will generate a quarterly report within 30 days following the quarter, analyzing the performance against plan of each of the Employment Agreements. This quarterly performance report will be forwarded to the BJB, NDEA Program Development and Planning, the Project Manager, and IGR.

5) Following the issuance of each quarterly performance report will be a meeting with representatives from NDEA Compliance, Planning, BJB, IGR, and the Awarding Authority to discuss the progress (or lack thereof) of each Employment Initiative Agreement. Corrective action will be initiated as necessary.

6) The Compliance Division, Permanent Jobs Monitor, and where possible, the Project Manager, will conduct periodic on-site reviews to ensure that there is adequate source documentation to substantiate the reported quarterly data.



Suggested Tenant Lease Language  
For Employment Goals

"Tenant is hereby notified that the landlord supports the affirmative action and resident preference goals set forth in the City of Boston Urban Development Action Grant for ( name development ) attachment \_\_\_\_\_ to this lease regarding the employment of City of Boston residents, minorities, females, low-moderate income persons and economically disadvantaged persons and encourage tenants to pursue such goals in tenants own employment practices. In connection with hiring to fill permanent jobs at the premises, tenant shall not discriminate against any employee or applicant for employment because of race, color, religious creed, national origin, age or sex. Tenant shall comply to the extent applicable with Title VII of the U.S. Civil Rights Act and M.G.C. C151B with respect to employment at the premises."







IN THE YEAR NINETEEN HUNDRED AND

## AN ORDINANCE

## ESTABLISHING THE BOSTON RESIDENTS JOBS POLICY

Be it ordained by the City Council of Boston, as follows:

1. SECTION 1 PREAMBLE:

2. WHEREAS there is a very high rate of unemployment in the City  
3. of Boston among both white and minority residents;  
4. WHEREAS the subsequent multiplier effect of this high level of  
5. unemployment has a direct and deleterious effect upon all the  
6. neighborhoods of the City of Boston, resulting in the physical  
7. deterioration of neighborhoods, vandalism, and crime;  
8. WHEREAS the City of Boston expends nearly one billion dollars  
9. in contracts, part of this money derived from taxes paid by  
10. city residents;  
11. WHEREAS these contracts enable private developers to obtain  
12. state and federal funds, and provides such developers with  
13. property tax and other benefits, for the purposes of  
14. constructing public works projects and other projects aimed at  
15. reviving and rebuilding blighted and unproductive areas of the  
16. City of Boston;  
17. WHEREAS the vast majority of workers employed on such projects  
18. are individuals who do not reside in the City of Boston;  
19. WHEREAS Black, Hispanic, Asian, and native Americans residents  
20. of the City of Boston, as well as female residents, have



AN ORDINANCE

historically been systematically excluded from the construction trades and unions in the City of Boston:

WHEREAS the Boston Resident Jobs Policy has been an Executive Order since September 11, 1979; and,

WHEREAS the United States Supreme Court has declared the Boston Residents Jobs Policy to be a legitimate and legally valid policy:

THEREFORE be it ordained as follows:

SECTION 2 DEFINITIONS:

The following words as used in this ordinance shall, unless context otherwise requires, have the following meanings:

"Minority person" shall include those persons who are Black, Hispanic, Asian, or native American.

"Resident" is any person for whom the principal place where that person normally eats and sleeps and maintains his or her normal personal and household effects is within the city limits for the City of Boston.

"Agency" shall mean the unit of government, within the structure of the City of Boston that is responsible for the application, administration and execution of Community



## AN ORDINANCE

Development Block Grants, projects in the area of housing and employment, and federal affirmative action programs, currently the Neighborhood Development and Employment Agency.

"Contract Compliance Office" is that office within the structure of the City of Boston government that has purview over the areas of compliance and enforcement for federal, state and/or local affirmative action programs.

### SECTION 3. POLICY:

(a) On any construction project funded in whole or in part by City funds, or funds which, in accordance with a federal grant or otherwise, the City expends or administers, or which the City is a signatory to the construction contract, the worker hours on a craft-by-craft basis shall be performed, in accordance with the contract documents provided for in section 3(b) below, as follows:

- a. at least fifty percent of the total employee manhours in each trade shall be by bona fide Boston residents;
- b. at least twenty-five percent of the total employee manhours in each trade shall be by minorities;
- c. at least ten percent of the total employee manhours in each trade shall be by women.



# AN ORDINANCE

For purposes of this paragraph worker hours shall include work performed by persons filling apprenticeship and on-the-job training positions.

(b) In order to insure compliance with the Ordinance, the provisions of the City of Boston Supplemental Minority Participation and Residents Preference Section shall be included by each city department in all contracts with any private corporation or individual for construction projects covered by this Ordinance.

## SECTION 4. COMPLIANCE. ENFORCEMENT. SANCTIONS:

(A) The Agency, as defined in Section 2, shall be designated as responsible for the planning, implementation and enforcement of this Ordinance, and shall have the following duties:

Planning and Implementation. Prior to the commencement of any construction project, capital works, or city economic development plan covered by this Ordinance, the Agency shall

(1) review spending plans for such project;

(2) identify the number of job positions to be created by the project;





## AN ORDINANCE

1. (3) specify training needed for entry level and  
2. semi-skilled positions by job title;

3. (4) in conjunction with appropriate unions and their  
4. existing collective bargaining agreements, recruit employees  
5. and arrange for training through established union  
6. apprenticeship programs; and

7. (5) establish a job screening and referral agency which  
8. shall refer city residents, minorities, and women to  
9. contractors and subcontractors to enable such contractors and  
10. subcontractors to comply with this Ordinance.

11. (B) The Contract Compliance Office for the City of  
12. Boston shall be responsible for enforcing and monitoring  
13. compliance with the provisions of this Ordinance and the  
14. contract provisions established in accordance therewith shall  
15. have the following duties:

16. (1) to require all contractors and sub-contractors  
17. affected by this Ordinance to submit weekly workforce charts  
18. listing workers by name, residential address, craft, job  
19. category, hours worked, sex and race. These charts shall be  
20. public records.



1. (2) to negotiate with all contractors/developers in  
2. order to identify and classify construction jobs by job title  
3. hiring dates, duration and training.

4. (3) to register all interested community-based  
5. organizations, and notify such organizations of any pre-award  
6. conferences between the Agency and developer/contractor  
7. relating to hiring requirements and goals as stated herein.

8. (C) The Agency shall have the power, by means of the  
9. contract provisions referred to in section (3) above, to impose  
10. sanctions upon contractors and subcontractors found to be in  
11. non-compliance with this Ordinance. Such sanctions shall  
12. include, but not be limited to: i) suspension of payments, ii)  
13. termination of the contract, iii) recovery by the City of 15%  
14. of the contract award price as liquidated damages, and iv)  
15. denial of right to participate in future projects for up to  
16. three years.

17. SECTION 5. LIAISON COMMITTEE:

18. The Agency shall establish a liaison committee which shall meet  
19. monthly, in a forum open to the public, to review the Agency  
20. reports, monitor compliance with the provisions of the



## AN ORDINANCE

Ordinance. and make recommendations to the Agency and the City Council regarding enforcement of this Ordinance. The Agency shall accept nominations of three persons from interested groups including, but not limited to: Union Contractors, Non-Union Contractors, Boston Building Trades, State Office Minority Business Assistance, Contractor Association of Boston, Training Agency personnel, Human Rights activist groups, women's organizations, Community based organizations and the Boston Chamber of Commerce. The Agency shall thereafter select one person from those nominations submitted by each organization to serve without compensation for a term of two years. This nomination and selection process shall be used to fill any vacancy.

### SECTION 6. TRAINING PROGRAM:

The City of Boston shall establish or cause to be established either independently or in concert with craft unions and construction contractors, job training programs to train minorities, Boston residents, and women for skilled or semi-skilled construction jobs. These programs shall be supervised by the Agency.



1. SECTION 7. FINES:

2. Any person who provides false information regarding his or her  
3. residence address shall be subject to a fine of not more than  
4. \$300.

5. SECTION 8. INDEPENDENT AGENCIES:

6. Any and all activities of any independent agency, operating  
7. acting on behalf of the City of Boston, including, but not  
8. limited to, the Boston Redevelopment Authority and the Economic  
9. Development and Industrial Corporation shall comply with the  
10. provisions of this Ordinance.

11. SECTION 9. PUBLISHING:

12. Notwithstanding the provisions of the City of Boston Code,  
13. Ordinances, Title 2, Section 752, this ordinance shall be  
14. published by action of the City Council in passing the same.





## EXECUTIVE ORDER

### ENCOURAGING MINORITY BUSINESS ENTERPRISE

The City of Boston for the past several years has continued to increase employment opportunities for minority residents within municipal government to help reduce the high rate of unemployment in minority and low income neighborhoods. It now proposes to expand its Affirmative Action Programs to include Economic Development Programs that will encourage the participation of Minority Business Enterprises in the City's contracting process.

Therefore, in order to assure the participation of Minority Business Enterprises in the City's contracting process as defined below, by the authority vested in me as Mayor of the City of Boston, it is hereby ORDERED:

#### ARTICLE I: DEFINITIONS

"BENEFICIAL OWNERSHIP AND CONTROL", ownership of at least 51 per cent of the voting stock or proprietary interest in any corporation, partnership or sole proprietorship. In the case of a joint venture, the Minority Business Enterprise must have a controlling interest in the joint venture in order to have such participation qualify toward meeting the requirements of ARTICLE II. The existence of any agreements, options, rights of conversion or other restraints which may be exercised within three years and which, if exercised, could reduce minority ownership or control to less than the requisite percentage, shall establish that the existing enterprise is not a Minority Business Enterprise.

"CITY", the City of Boston.

"CITY DEPARTMENTS", those Departments under the supervision of the Mayor or persons appointed by him.

"IMPACTED AREA", any area of the City with high concentration of minority residents so designated by the City of Boston; including but not limited to the following areas: Roxbury, North Dorchester, South End, Jamaica Plain and Mattapan.

"MINORITY PERSON", an individual who is Black, Hispanic, Oriental or American Indian.

"MINORITY BUSINESS ENTERPRISE", a business organization in which at least 51% of the beneficial ownership is held by



one or more minority persons.

"OFFICE OF MINORITY BUSINESS", the Office of Minority Business of the Human Rights Commission of the City of Boston which has primary responsibility for identifying and certifying minority businesses, monitoring the progress of all City Departments and providing technical assistance.

#### ARTICLE II: MINORITY TEN PERCENT REQUIREMENT

At least ten percent of the value of all construction, goods and services procured by the City during each fiscal year will be obtained from Minority Business Enterprises.

This policy specifically includes all monies expended through the Capital Budget, Operating Budget and all federally funded projects and programs. Where federal regulations require a percentage greater than ten percent, such higher percentages shall govern such programs.

All City Departments will be required to expend a minimum of ten percent of their total expenditures for the fiscal year for construction, goods professional services from Minority Business Enterprises either through contracts awarded by the line department or through Administrative Services acting on behalf of the Line Department.

Thirty percent of all construction work to be performed in Impacted Areas shall be awarded to Minority Business Enterprises.

#### ARTICLE III: MINORITY BUSINESS OFFICE

The Mayor's Minority Business Office will assist City Departments in locating minority business enterprises through their outreach program and through a listing of minority vendors which will be published on a regular basis.

The Minority Business Office will also provide technical assistance to both the City Departments and to the Minority Business Enterprises. The Minority Business Office will be responsible for monitoring the progress or lack of progress and making recommendations for correction action.

#### ARTICLE IV: POLICY IMPLEMENTATION

The Director of Minority Business Office in conjunction with the Law Department, will be responsible for developing contract documents for the implementation of this policy.



The Director of the Minority Business Office in conjunction with the Heads of the various city departments will develop systems and procedures to assure implementation and enforcement within all City Departments.

This Policy is effective July 1, 1978.

  
Kevin H. White  
Mayor

June 28, 1978.  
Date

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